BUILDING THE FUTURE

FISCAL YEAR 2019 OPERATING BUDGET

FISCAL YEAR 2020-2024 FINANCIAL PROJECTIONS



Philadelphia Eagles
Championship Parade
February 8, 2018



Inaugural Run of
Regional Rail ACS-64
Electric Locomotive



Roosevelt Boulevard "Direct Bus Service"

Southeastern Pennsylvania Transportation Authority



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Southeastern Pennsylvania Transportation Authority for its annual budget for the fiscal year beginning July 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Southeastern Pennsylvania Transportation Authority

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Vice-Chairman
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Deputy General Manager - Treasurer
Richard G. Burnfield

General Counsel
Gino J. Benedetti, Esquire

Controller to the Board
Stephen A. Jobs, CPA

Secretary to the Board
Carol R. Looby

Southeastern Pennsylvania Transportation Authority
1234 Market Street • 10th Floor • Philadelphia, PA 19107-3780
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Chairman
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Marcy Toepel

General Manager
Jeffrey D. Knueppel, P.E.

To: Pasquale T. Deon, Sr., Chairman

From: Jeffrey D. Knueppel

Subject: Fiscal Year 2019 Operating Budget

Date: August 9, 2018

I am pleased to present the Southeastern Pennsylvania Transportation Authority (SEPTA) Operating Budget for Fiscal Year 2019 to Board Members, Elected Officials, customers, and stakeholders.

The $1.45 billion Operating Budget preserves the current fare structure, maintains existing levels of transportation service for the year, and includes anticipated increases in labor, fuel, material and services associated with contractual obligations and inflationary trends.

The 2019 budget reflects our business vision and priorities as described in the *Building the Future* plan, which defines five areas of strategic effort, namely The Customer Experience, SEPTA is a Business, Workforce Development & Support, Rebuilding the System, and Safety & Security as the Foundation.

The Customer Experience

Creating a positive *customer experience* by focusing on convenience, reliability and enhanced communications continues to be of primary importance to the Authority. We are in the midst of building a robust program to deliver real-time information to riders and interact with customers through various media platforms including countdown clocks on the Market-Frankford Line, Broad Street Line, and Trolley route stations. In Fiscal Year 2018, a new DIRECT Bus service was implemented to provide faster, convenient, limited-stop service on Roosevelt Boulevard between the Frankford Transportation Center and Neshaminy Mall. SEPTA also played an important role in the Eagles and Villanova Basketball Championship Parades with thousands of frontline and management personnel deployed throughout our system to greet crowds and assist customers to and from the parade.

In Fiscal Year 2019, SEPTA will introduce a new Route 49 Bus service that will operate from Strawberry Mansion, through Brewerytown and Fairmount to the Grays Ferry/University City area. This north-south route will provide an important connection between neighborhoods and the growing numbers of jobs and health resources in University City—the second largest employment hub in the City. It will also create a direct transit option between 30th Street Station and the world-renowned cultural attractions located along the Ben Franklin Parkway.

Implementation of the new SEPTA Key fare payment system, is essentially complete on Transit and the Authority recently began the rollout for Regional Rail with the launch of an "Early Adopters" program. SEPTA Key is improving the customer experience with a convenient, reusable, reloadable fare card that can be replaced should it become lost or stolen. Customers will no longer need to stand in line to buy tickets or passes as Key offers a new on-line website to load/reload fares, including the convenience option to set up an autoload account.

SEPTA is a Business

SEPTA continues to implement best business practices to remain a sustainable, high-performing, outcome-driven agency. SEPTA recently completed a preliminary evaluation of the existing bus network in the City of Philadelphia, the environment in which the service operates and how customer demand and needs are met. As a result of that effort, SEPTA will move forward with a comprehensive study of the entire bus network to fully examine both City and Suburban bus service with the objective to enhance access and travel performance. This process will be guided by public outreach and civic engagement to ensure all voices are heard and choices are discussed in a collaborative manner.

Workplace Development and Support

SEPTA is committed to developing its employees, promoting diversity, and creating succession plans that ensure stability and continuity of service to our customers in the future. SEPTA offers a variety of in-house training and external programs to improve employee performance and expand skill sets. We have also accelerated our efforts to improve employee facilities to enhance the workplace environment and improve employee morale throughout the Authority.

Rebuilding the System

SEPTA continues to rebuild the system thanks to funding made available by the passage of Pennsylvania Act 89. With increased resources, SEPTA is focused on sustaining a state of good repair for essential assets by rehabilitating and replacing critical infrastructure, including bridges, stations, substations and vehicle maintenance facilities. In the Fall 2018, SEPTA expects to take full delivery of the 15 new electric locomotives for Regional Rail. Over the next three years, SEPTA will receive 225 new paratransit vehicles, 45 multi-level railcars, and an additional 330 hybrid-electric buses. New hybrid buses will feature the latest customer amenities such as Wi-Fi and USB charging ports. After taking delivery of these buses, SEPTA's fleet will be comprised of over 95 percent hybrid buses which will further reduce fuel consumption and improve operating efficiency. Additionally, SEPTA will accept delivery of 25 electric buses this year for operation on Bus Routes 29 and 79.

Safety & Security as the Foundation

Safety and security come first at SEPTA and that focus will continue to be a top priority in Fiscal Year 2019. We are committed to a safety-oriented corporate culture for our employees and customers through various training and educational programs, such as the "Make the Safe Choice" and "Never Too Busy for Safety" campaigns. SEPTA is recognized as being one of the first transit systems in the United States to have substantially completed the installation of the congressionally mandated Positive Train Control (PTC) system on the regional rail network. The PTC network will be expanded to include the Media-Sharon Hill Trolley Line in Fiscal Year 2019. SEPTA will also begin to install protective operator shields on buses to further safeguard our operators. In addition, a Bus Turn Alerting System has been installed on over 40 percent of the Authority's bus fleet. This system provides a secondary warning to alert customers, pedestrians and bicyclists, both audibly and visually, that a bus is making a turn. Installation on the entire bus fleet is scheduled to be completed by the end of Fiscal Year 2020.

These five fundamentals of our *Building the Future* program help define SEPTA's vision and offer a roadmap for the initiatives we plan to undertake over the next year. We will continue to operate in a prudent and efficient business manner while exercising the type of financial discipline that has resulted in 19 consecutive years of balanced budgets.

The Fiscal Year 2019 Operating Budget reflects the Authority's mission to provide safe, reliable, sustainable, and accessible public transit service to our customers in the five-county region white contributing to the region's economic vitality, sustainability, and enhanced quality of life.

SEPTA FY 2019 Operating Budget
Table of Contents

PREFACE

GFOA Award i
SEPTA Board Members and Officers ii
General Manager's Memorandum iii
Table of Contents vi

1. INTRODUCTION AND PROFILE

SEPTA History 1
SEPTA Service Profile at a Glance 2
SEPTA Regional Rail & Rail Transit Map 3
Passenger Profile 4
Key Regional Transportation Trends 6
Strategic Business Plan 7
Key Performance Indicators 8

2. THE BUDGET PROCESS

Budget Development 16
Fiscal Year 2019 Calendar 17
Key Activities in the Budget Process 18

3. FISCAL YEAR 2019 ASSUMPTIONS & CONSOLIDATED BUDGET

Assumptions 19
Fiscal Year 2019 Consolidated Budget 20

4. FINANCIAL & BUDGETARY POLICIES

Financial Planning Policies 21
Revenue Policies 22
Expenditure Policies 23
Description of Existing Debt and Debt Service Policies 23
Statement of Changes in Equity 29

5. ORGANIZATIONAL STRUCTURE

Operating Divisions 30
Operating and Staff Departments 31
Corporate Team Organization Chart 33

6. THREE YEAR COMPARISON FISCAL YEARS 2017 - 2019

Consolidated 34
City Transit Division 35
Victory Division 36
Frontier Division 37
Regional Rail Division 38

7. FINANCIAL PROJECTIONS

Summary of Assumptions 39
Financial Projections of Consolidated Budget 40

8. OPERATING REVENUE AND SERVICE PLAN OVERVIEW

Annual Service Plan Overview 41
Revenue Assumptions by Category 42
Ten Year Revenue Trends 43
Summary of Operating Revenue 44

9. OPERATING SUBSIDIES

Subsidy Allocation and Detail 45
Service Stabilization Fund 48
Detail of Subsidies 49
Summary of Operating Subsidies 50
Detail of Local Subsidies and Other by County 51
Summary of Local Subsidies by County 52

10. OPERATING EXPENSES

Expense Assumptions by Category 53
Ten Year Expense Trends 55
Summary of Operating Expenses 57
FY 2019 Budget – Detail of Expenses 58
FY 2019 Budget – Allocation By Company 59
FY 2018 Actual – Detail of Expenses 60
FY 2017 Actual – Detail of Expenses 61

11. HEADCOUNT AUTHORIZATIONS

Headcount Designations 62
Fiscal Year 2019 Headcount Authorization 63
Fiscal Years 2015-2019 Headcount Authorization 65
Headcount Authorization Cause of Change 67

12. DEPARTMENTAL SUMMARIES BY DIVISION

Corporate Staff 71
Transit Police 77
System Safety 81
Operations 87
Vehicle Engineering & Maintenance 101
Engineering, Maintenance & Construction 112
Deputy General Manager/Treasurer's Staff 124
Finance and Planning 133
Employee Development/Relations 144
Human Resources 149
Procurement, Supply Chain & Disadvantaged Business Enterprise 155
Audit and Investigative Services 164
Customer Experience and Advocacy 169
Office of General Counsel 175
Public and Government Affairs 183

13. INTERDEPARTMENTAL

Fringe Benefits 189
Non-Departmental Expenses 191
CCT Connect ADA and Shared Ride Programs 192
Other Operating Expenses 193

14. SUMMARY OF CAPITAL IMPROVEMENT PROGRAM

Capital Sources of Funds 195
Fiscal Year 2019 Capital Budget 196
Fiscal Year 2019-2022 Capital Program 197
Capital Improvement Program FY 2019-FY 2030 and Beyond 198
Capital Projects Impact Analysis 199

GLOSSARY

Acronyms 202
Terms 206

1. Introduction and Profile

SEPTA's History

Greater Philadelphia has evolved into a vibrant center of economic growth in the country and the Southeastern Pennsylvania Transportation Authority's (SEPTA) multi-modal transit system has been a catalyst for this development; providing service to three states and giving riders in the region easy access to work, school, healthcare appointments, recreational outings, and major shopping destinations. The policy makers' commitment to investing in transportation at the federal, state, and local level has enriched the lives of residents, visitors, and tourists.

SEPTA was created by the Pennsylvania General Assembly in 1964 as a solution to the need for a regional approach to transit, which would provide needed transportation for passengers, shared services to reduce expenses and greater access to financial markets to help maintain and expand the system. On September 30, 1968, after five years of negotiations, SEPTA acquired the Philadelphia Transportation Company. The Philadelphia Transportation Company was created January 1, 1940 and was responsible for the operation of buses, trolleys, trackless trolleys, and subway elevated lines: the Market-Frankford line and the Broad Street line in the Philadelphia area.





SECTION 1 8 XH The Sunday Bulletin PHILADELPHIA Sunday, Sept. 29, 1968

SEPTA to Take Over PTC Tomorrow To Cap Five Years of Negotiations

By EUGENE L. MEYER
Of The Bulletin Staff

Southeastern Pennsylvania Transportation Authority (SEPTA) will take possession of Philadelphia Transportation Co. at noon tomorrow.

In a ceremony in the sixth-floor conference room of the Philadelphia National Bank building, involving exchanges of checks and documents, the nearly five-year effort to acquire the nation's largest private transit firm will come to an end.

PTC is the first system to be acquired by SEPTA, a state agency formed in 1964 to develop and coordinate regional transportation.

The sale price is $47,938,884.36, somewhat less than the $48,227,690 negotiated, because about 8,000 of PTC's 1.7-million shareholders cashed in their stocks at market value, instead of waiting to be paid by SEPTA.

pel buttons immediately but replacement of PTC signs with SEPTA decals will be a more gradual process.

Tomorrow will mark the end of official positions for two transit officials and the beginning of new ones for some others.

Lyons, Reichel Out

Lyons will no longer be a part of PTC under SEPTA ownership. The resignation of M. J. Reichel, outgoing SEPTA general manager, becomes effective tomorrow.

Although about a dozen applications for Reichel's $45,000-a-year job have been received, no successor has yet been chosen.

A SEPTA board resolution, scheduled for approval tomorrow, provides for all PTC employes to retain their present positions, titles and salaries, except the officers.

David N. Phillips, PTC vice president and treasurer, will be PTC would assume the $17-million pension obligation, making the price about $38 million, or between $6 and $8 a share.

PTC appealed the Spaeth decision. In July, 1967, the State Supreme Court upheld the lower court. In September, it refused to reconsider its ruling.

In November, PTC appealed its case to the U. S. Supreme Court, but the high court refused to hear it.

Meanwhile, negotiations dragged on through fall and winter, until last February, when Tate brought the two sides together and successfully served as mediator.

The sale price agreed upon includes $22,451,608.46 to pay off PTC's funded debt, and $25,487,275.90 to pay PTC stockholders.

On March 15, both PTC and SEPTA boards agreed to the

In 1983, SEPTA was required to take over all operations of Conrail's passenger railroad to be integrated with the Authority's existing transit services. Conrail, which was federally funded, had originally assumed responsibility for the passenger services of the Pennsylvania Railroad and the Reading Company in 1976. Both railroads went bankrupt due to the decline in the demand for the transportation of coal, the introduction of superhighways, and the advance of air travel. After a difficult transition and a 108 day strike by Conrail railroad workers, SEPTA's Regional Rail Division was established. Between Fiscal Years 2012-2016, Regional Rail had outpaced transit in annual ridership growth and is a critical component in Southeastern Pennsylvania's economic engine.

INTEGRATING SOUTHEASTERN PENNSYLVANIA'S TRANSIT NETWORK

1964	1968	1970	1976	1983	1984	1985
Created by PA State Assembly	Acquired Phila. Transp. Company	Acquired Phila. Suburban Transp. Company (Red Arrow)	Acquired Schuylkill Valley Lines (Frontier)	Acquired Former Penn Central and Reading Railroads	Opened "Center City" Commuter Tunnel	Opened Service on Airport Line

1. Introduction and Profile

Today, more than 50 years after its creation by the Pennsylvania General Assembly, SEPTA is the nation's sixth largest transit system, with a vast network of fixed route services including bus, subway, light rail, trackless trolley (trolley bus), and Regional Rail, as well as ADA Paratransit and Shared Ride programs. This network provides service in Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties with connections into New Jersey and Delaware. SEPTA is also one of the region's largest employers, with a workforce of approximately 9,400 employees.



SEPTA SERVICE PROFILE AT A GLANCE

	FIXED ROUTES	REVENUE VEHICLES	STATIONS & STOPS	ANNUAL TRIPS *(in millions)*
BUS & TROLLEY BUS	127	1,515*	13,100	148.5
MARKET-FRANKFORD LINE	1	218	28	53.9
BROAD STREET LINE	1	125	25	36.4
REGIONAL RAIL	13	396	155	34.4
LIGHT RAIL	8	159	670	24.7
NORRISTOWN HIGH SPEED LINE	1	26	22	3.2
ADA PARATRANSIT/SHARED RIDE	N/A	460	N/A	1.6

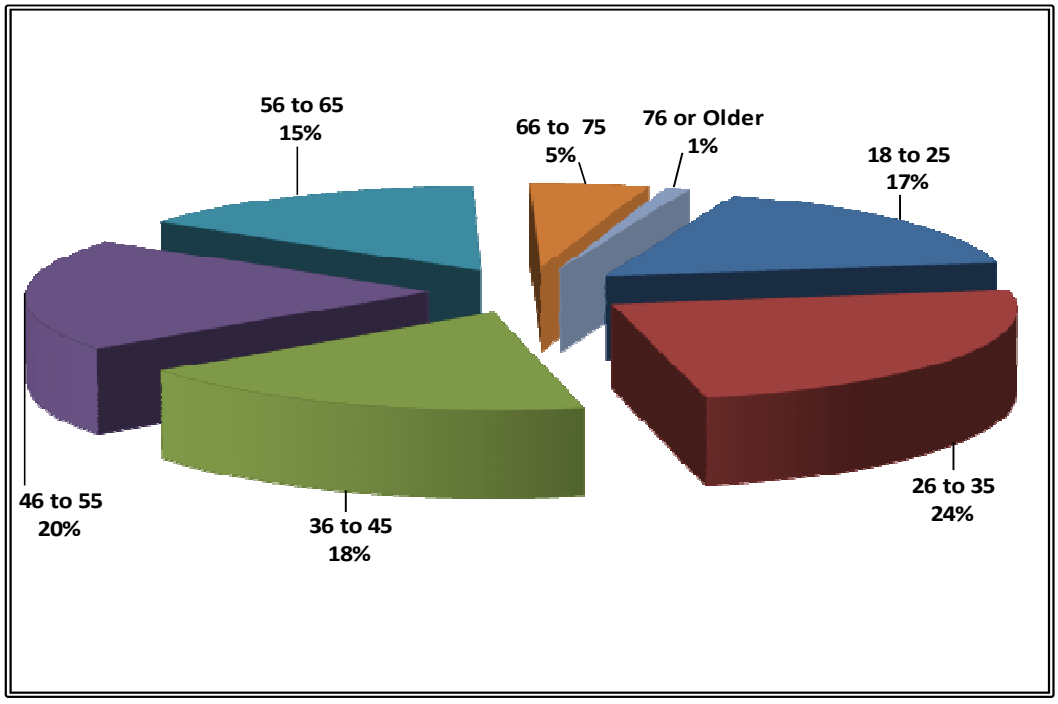
Exact number varies as new buses are acquired and old vehicles are retired.


SEPTA Regional Rail & Rail Transit
NW
SW
NE
SE
Doylestown
Delaware Valley University
New Britain
Chalfont
Link Belt
Colmar
Fortuna
9th Street
Lansdale
Pennbrook
North Wales
Gwynedd Valley
Penllyn
Ambler
Fort Washington
Oreland
North Hills
Warminster
Hatboro
Willow Grove
Crestmont
Roslyn
Ardsley
Glenside
Jenkintown-Wyncote
Rydal
Noble
Elkins Park
West Trenton
Yardley
Woodbourne
Langhorne
Neshaminy Falls
Trevose
Somerton
Forest Hills
Philmont
Bethayres
Meadowbrook
Amtrak to:
New York
Boston
NJ Transit to:
New York
New Jersey Points
Trenton
Trenton Transit Center
River Line to Camden
Delaware River
Levittown
Bristol
Croydon
Eddington
Cornwells Heights
Torresdale
Holmesburg Jct
Tacony
Bridesburg
Frankford Trans. Ctr.
Arrott Trans. Ctr.
Church
Erie-Torresdale
Fox Chase
Melrose Park
Fern Rock T.C.
Ryers
Cheltenham
Lawndale
Olney
Fern Rock Trans. Ctr.
Olney T.C.
Logan
Wayne Jct.
Wyoming
Hunting Park
Erie
Allegheny
N. Phila (CHW)
N. Phila (TPIK)
North Philadelphia
North Broad
Temple U.
Berks
Front
Girard
Fairmount
China-town
Spring Garden
Race-Vine
Suburban Station
Jefferson Station
8th
Tioga
Allegheny
Somerset
Huntingdon
York-Dauphin
Frankford & Delaware
Trolley Route:
15 to Richmond
& Westmoreland
Susquehanna-Dauphin
Cecil B. Moore
Trolley Route:
15 to 63rd & Girard
40th
30th Street Station
(Amtrak/NJT)
Trolley Route:
10 to 63rd
& Malvern
Mill-bourne
63rd
60th
56th
52nd
46th
40th
34th
30th
15th
13th
11th
8th
5th
2nd
Independence Hall
69th Street Trans. Ctr.
36th
37th
40th
33rd
30th
22nd
19th
City Hall
13th
Trolley Routes:
11 to Darby TC
13 to Yeadon/Darby TC
34 to 61st & Baltimore
36 to 80th & Eastwick
University City
Walnut-Locust
15th/16th
9th/10th
12th/13th
City Hall Camden
Walter Rand Trans. Ctr.
Ferry Ave, Camden
Collingswood
Westmont
Haddonfield
Woodcrest
Ashland
Lindenwold
NJ Transit to:
Atlantic City
Lombard-South
Ellsworth-Federal
Tasker-Morris
Snyder
Oregon
nrg
Sports & Entertainment Complex
Amtrak to:
Harrisburg
Pittsburgh
Thorndale
Downingtown
Whitford
Exton
Malvern
Paoli
Daylesford
Berwyn
Devon
Strafford
Wayne
St. Davids
Radnor
Norristown
(Elm St)
Main St
Norristown
Norristown Trans. Ctr.
Norristown Trans. Ctr.
Bridgeport
DeKalb St
Hughes Park
Gulph Mills
Matsonford
County Line
Radnor
Villanova
Stadium (Ellan Ave)
Garrett Hill
Roberts Rd
Bryn Mawr
Haverford
Ardmore Ave
Ardmore Jct
Wynnewood Rd
Beechwood-Brookline
Penfield
Township Line Rd
Parkview
Villanova
Rosemont
Bryn Mawr
Haverford
Ardmore
Wynnewood
Narberth
Merion
Overbrook
Conshohocken
Spring Mill
Miquon
Ivy Ridge
Manayunk
Wissahickon
East Falls
Allegheny
Schuylkill River
Chestnut Hill West
Highland
St. Martins
Allen Lane
Carpenter
Upsal
Tulpehocken
Chelten Ave
Queen Lane
Chestnut Hill East
Gravers
Wyndmoor
Mt Airy
Sedgwick
Stenton
Washington Lane
Germantown
Wister
Cynwyd
Bala
Wynnefield Ave
Fairfield Ave
Walnut St
Avon Rd
Hilltop Rd
Beverly Blvd
Congress Ave
Lansdowne Ave
Drexel Park
Irvington Rd
Drexel Hill Jct
Huey Ave
School Lane
Aronimink
Anderson Ave
Drexelbrook
Drexeline
Scenic Rd
Springfield Rd
Saxer Ave
Leamy Ave
Woodland Ave
Thomson Ave
Springfield Mall
Paper Mill Rd
Pine Ridge
Beatty Rd
Providence Rd
Manchester Ave
Edgmont St
Monroe St
Jackson St
Olive St
Veterans Sq
Orange St
101
Media
Elwyn
Garrettford
Drexel Manor
Marshall Rd
Creek Rd
Baltimore Ave
Penn St
Springfield Rd
Clifton-Aldan
Clifton-Aldan
Primos
Secane
Morton
Swarthmore
Wallingford
Moylan-Rose Valley
Media
49th St
Angora
Fernwood-Yeadon
Lansdowne
Gladstone
Providence Rd
Magnolia Ave
North St
Bartram Ave
Andrews Ave
MacDade Blvd
102
Sharon Hill
Darby
Curtis Park
Sharon Hill
Folcroft
Glenolden
Norwood
Prospect Park
Ridley Park
Crum Lynne
Eddystone
Chester T.C.
Highland Ave
Marcus Hook
Claymont
Wilmington
Churchmans Crossing
Newark
Amtrak to:
Baltimore
Washington DC
Eastwick
Terminal A
(East & West)
Terminal B
Terminals C & D
Terminals E & F
Philadelphia International Airport
Airport
Delaware River
LEGEND
Market-Frankford Line
Broad Street Line
& Broad-Ridge Spur
Norristown High Speed Line
Trolley Lines (Routes 10, 11, 13, 15, 34, 36, 101 and 102)
Regional Rail Lines
(end shows route destination)
PATCO Line
train to New Jersey (not a SEPTA service)
Free Interchange
(no transfer needed between transit services)
Pedestrian Connection
(additional fare needed for connecting service)
Wheelchair accessible station
INFORMATION
Customer Service: 215-580-7800
TDD/TTY: 215-580-7853
Website: www.septa.org
Official SEPTA App:
Available on the App Store
Google play

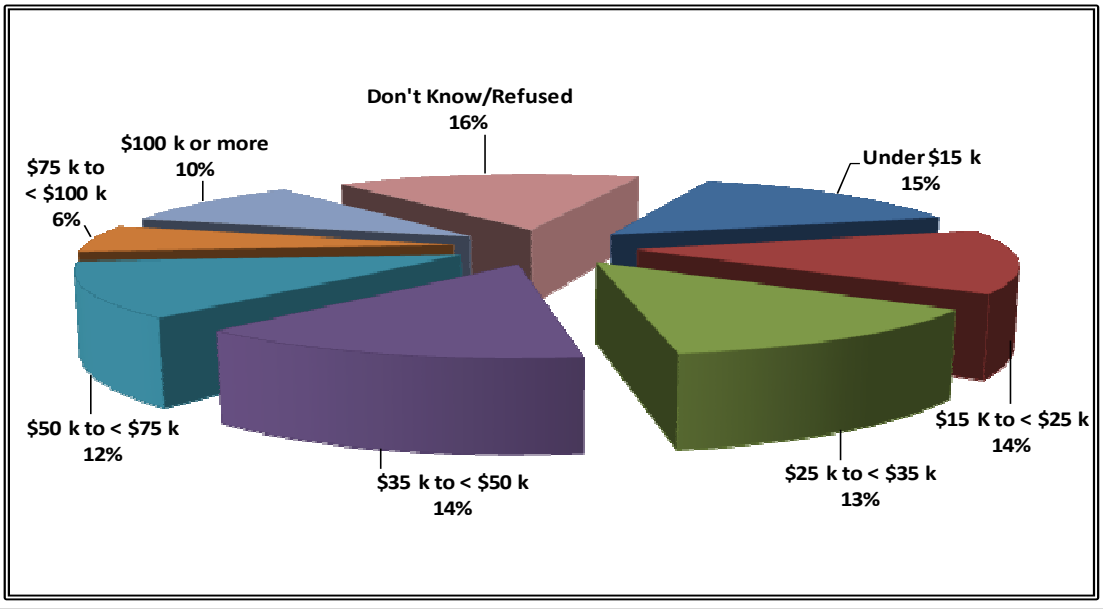
SEPTA Passengers

The following charts serve to illustrate the demographic distribution of SEPTA ridership. This data was recorded and compiled as part of the SEPTA 2015 Customer Satisfaction Survey. The next Customer Satisfaction survey was taken in the spring of 2018 and the results are expected to be available later in Calendar Year 2018.

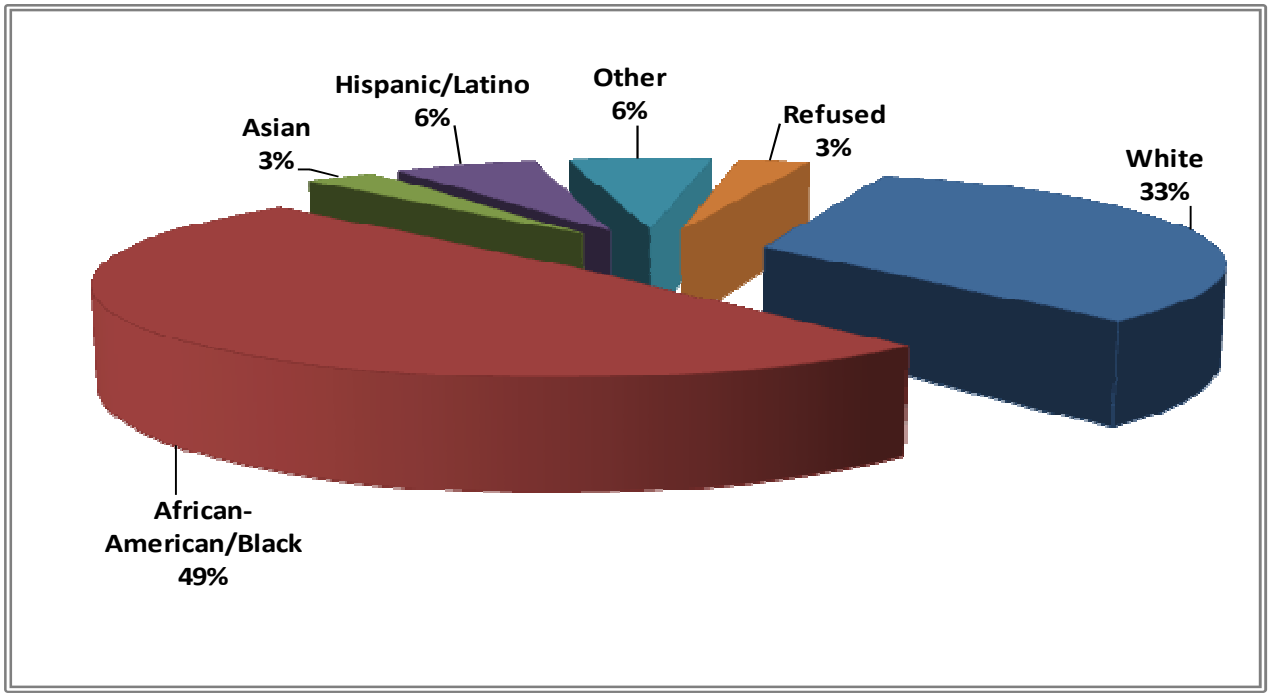
Age of Adult Passengers



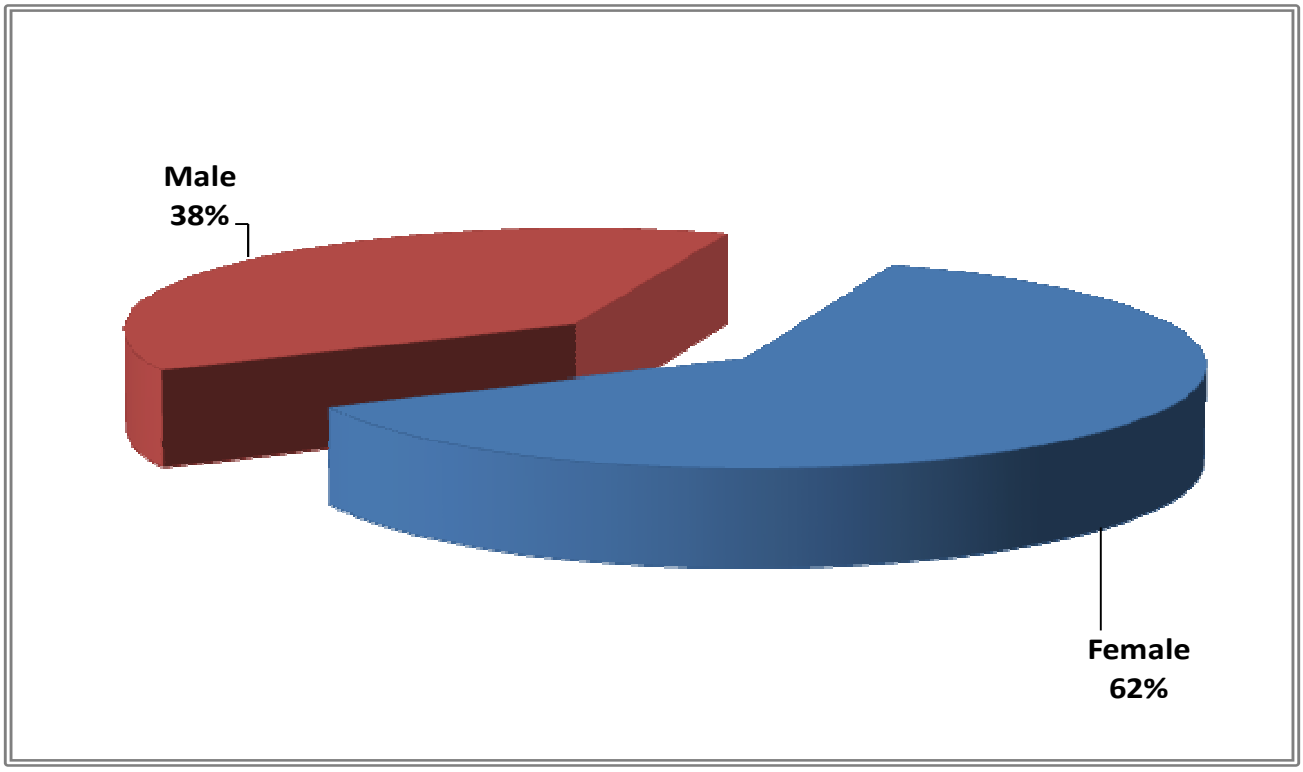
Annual Household Income of Passengers



Ethnicity of Passengers



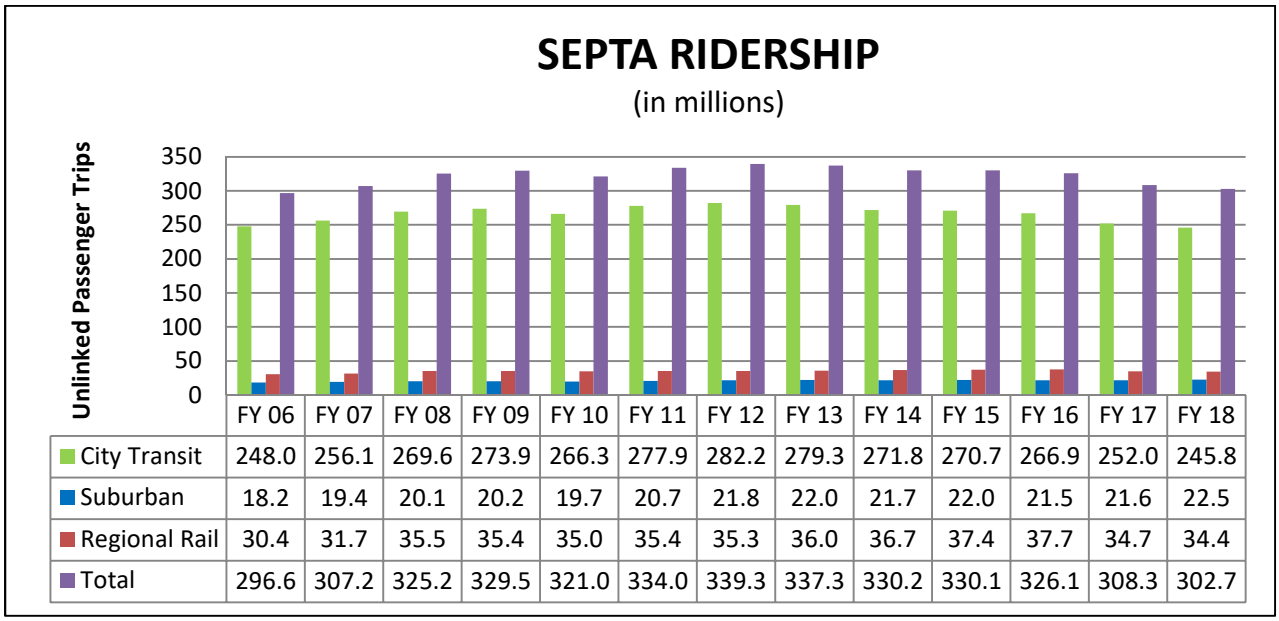
Gender of Passengers



Key Regional Transportation Trends

Transit Ridership

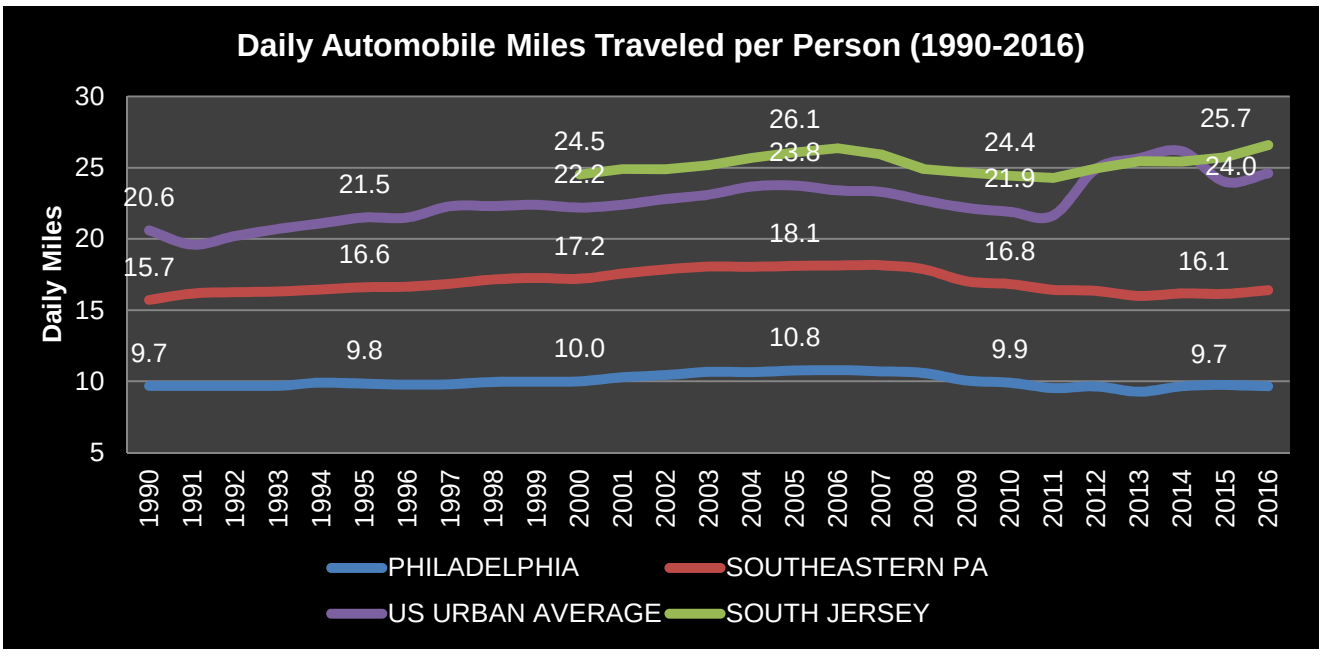
Total ridership has decreased over the past five years due to a number of factors, such as increased competition and moderate gas prices.



	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
City Transit	248.0	256.1	269.6	273.9	266.3	277.9	282.2	279.3	271.8	270.7	266.9	252.0	245.8
Suburban	18.2	19.4	20.1	20.2	19.7	20.7	21.8	22.0	21.7	22.0	21.5	21.6	22.5
Regional Rail	30.4	31.7	35.5	35.4	35.0	35.4	35.3	36.0	36.7	37.4	37.7	34.7	34.4
Total	296.6	307.2	325.2	329.5	321.0	334.0	339.3	337.3	330.2	330.1	326.1	308.3	302.7

Driving Rates

Automobile use trends underscore the extent to which transit is increasingly becoming a mode of choice for residents of Southeastern Pennsylvania. As transit ridership increases, driving rates decrease. Historically, the City of Philadelphia and Southeastern Pennsylvania driving rates have been roughly one-third and two-thirds the national urban average, respectively. In recent years, as national driving rates have rebounded with improving economic conditions, local driving rates have remained flat.



Strategic Business Plan for Fiscal Years 2015 through 2019

In July 2014, the SEPTA Board adopted a five-year Strategic Business Plan for Fiscal Years 2015 through 2019. The plan positions SEPTA to evaluate and take advantage of key trends that will allow SEPTA to become a public transportation system that meets the region's evolving transportation needs. The plan is available at *www.septa.org/strategic-plan* and represents a framework for all other SEPTA planning documents, including the Operating Budget. SEPTA will begin working on a new 2020-2024 Strategic Business Plan over the next year.

The framework includes a vision, mission, core values, and strategic objectives to guide organizational planning and development for the next five years:

VISION: To be the region's preferred choice for transportation, and to earn that choice by:

- Connecting the region for integrated mobility
- Sustaining our environment and preserving our system for future generations
- Committing to continuous improvement and innovation
- Providing safe, excellent service by a team of dedicated employees

MISSION: SEPTA is dedicated to delivering safe, reliable, sustainable, accessible, and customer-focused public transit services, contributing to the region's economic vitality, sustainability, and enhanced quality of life.

CORE VALUES:

For our service:

- Safe
- Reliable
- Sustainable
- Accessible
- Customer-Focused

For our people:

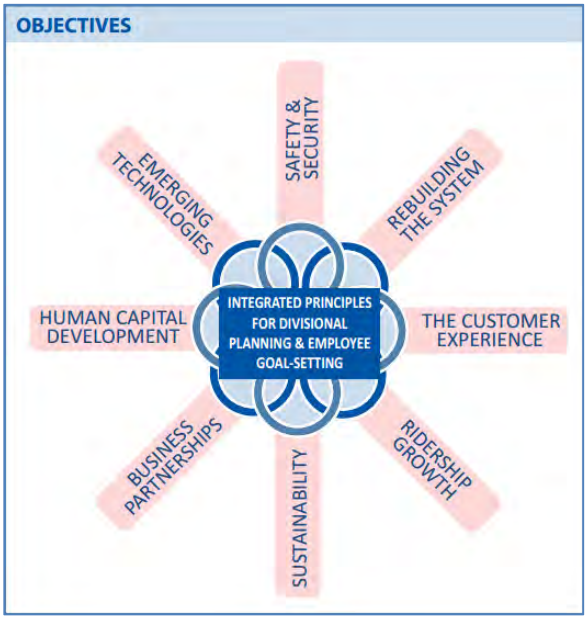
- Diverse
- Honest
- Creative
- Empowered
- Accountable

For our culture:

- Collaborative
- Constructive
- Respectful
- Engaging
- Transparent

These principles serve as a framework for approaches to pursue SEPTA's eight strategic objectives in the five-year plan:

- **Safety and Security**
- **Rebuilding the System**
- **The Customer Experience**
- **Ridership Growth**
- **Sustainability**
- **Business Partnerships**
- **Human Capital Development**
- **Emerging Technologies**



Balanced Scorecard of Key Performance Indicators

SEPTA's Strategic Business Plan establishes a "balanced scorecard" approach to performance management. The Key Performance Indicators (KPIs) are designed to guide strategy development based on a quantitative evaluation of progress during plan implementation. The KPIs were carefully selected to represent meaningful measures of achievement towards strategic objectives across all business units.

Progress updates on each KPI are posted quarterly at *www.septa.org/strategic-plan.*

The balanced scorecard has six key focus areas:

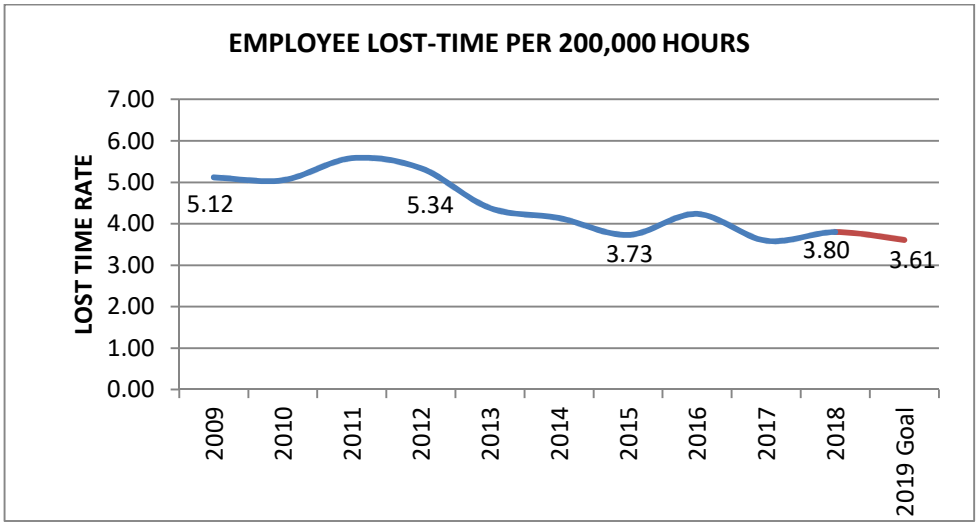
- Safety & Security: develop a safety-first culture
- Financial Efficiency: responsibly manage resources
- The Customer Experience: provide best-in-class transportation services
- Resource Management: implement best management practices
- State of Good Repair & Reliability: reduce the backlog of capital repair needs
- Employee Growth: attract, develop, and retain a diverse, healthy, and versatile workforce

Safety & Security

Goal Statement: to develop a safety-first culture that results in fewer customer and employee incidents.

Employee Lost Time Injuries per 200,000 Work Hours

Injuries causing missed work divided by work hours times 200,000					
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Goal
Surface Transportation	5.9	7.5	6.7	**8.2**	**7.3**
Vehicle Maintenance–Bus	4.6	2.9	2.3	**1.9**	**2.1**
Rail Transportation	3.8	3.2	3.9	**4.0**	**3.9**
Vehicle Maintenance–Rail	2.6	5.1	2.4	**1.9**	**2.1**
Non-Operations	1.7	1.9	1.0	**1.1**	**1.0**



Vehicle, Passenger, and Station Incidents

Reported vehicle and passenger incidents per 100,000 miles; reported station incidents per 1,000,000 passenger trips			
	FY 2017 Actual	FY 2018 Actual	FY 2019 Goal
Vehicle Incidents	5.14	5.21	5.07
Passenger Incidents	3.96	3.82	3.81
Station Incidents	0.45	0.42	0.43

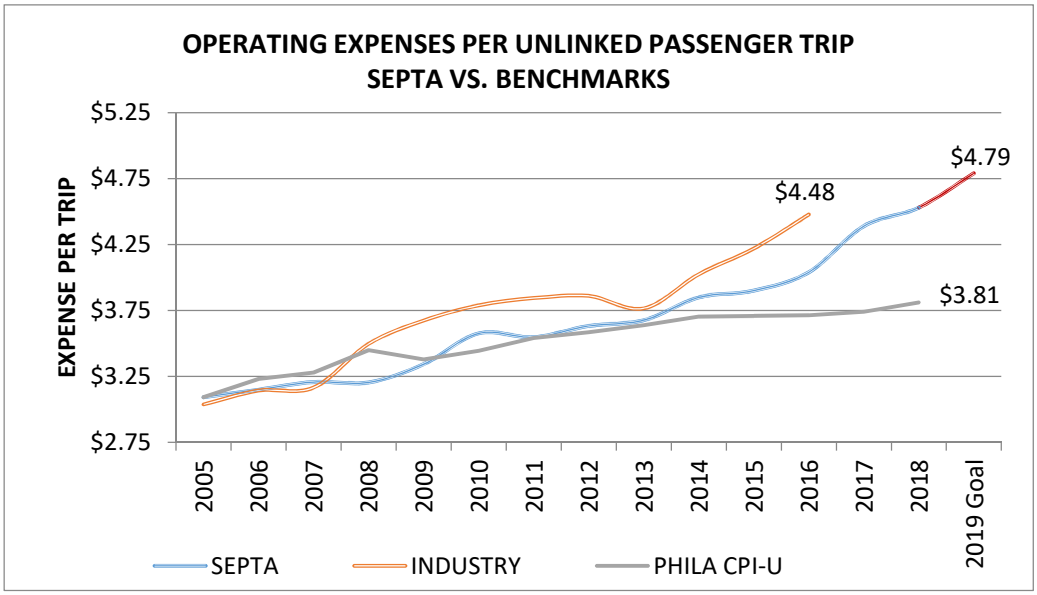
Financial Efficiency

Goal Statement: to responsibly manage resources in a way that provides requisite budget stability to grow the system.

Operating Expenses per Unlinked Passenger Trip
Goal: Change in SEPTA is Below Change in Philadelphia CPI-U and Industry CPI-U

Total operating expenses divided by total unlinked passenger trips				
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Goal
Operating Expenses *(in thousands)*	$1,318,576	$1,353,073	$1,371,790	$1,453,021
Unlinked Passenger Trips *(in thousands)*	326,100	308,300	302,700	303,638
Operating Expenses Per Unlinked Passenger Trip	**$4.04**	**$4.39**	**$4.53**	**$4.79**

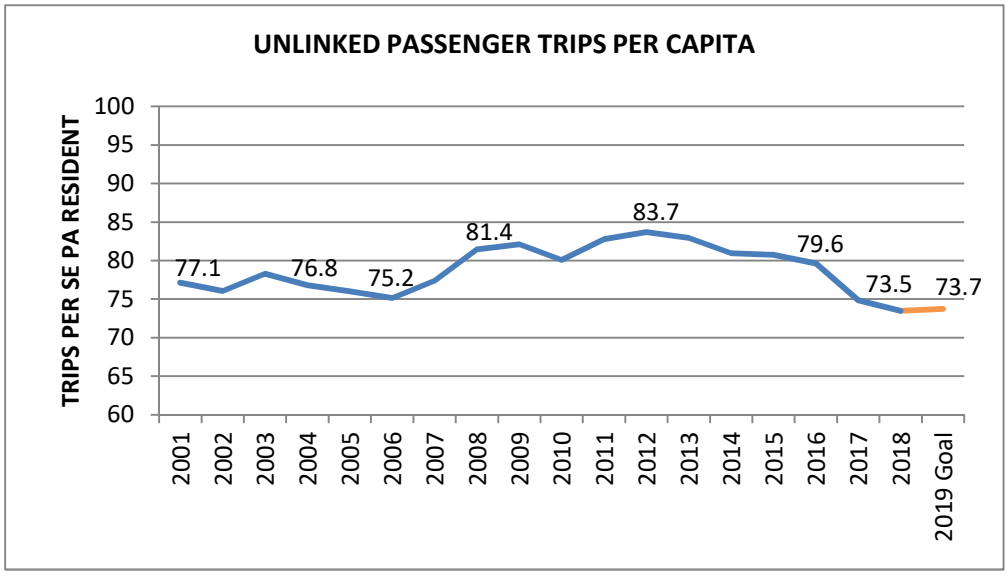
***Note**: "Unlinked Passenger Trips" for fiscal year goals uses budget projections, so "Operating Expenses per Unlinked Passenger Trip" according to this budget statistic will differ from the long-term KPI goal published.*



Unlinked Passenger Trips per Capita

Total unlinked passenger trips divided by total five county SEPTA population	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Goal
Unlinked Passenger Trips *(in thousands)*	330,100	326,100	308,300	302,700	303,638
Regional Population *(in thousands)*	4,089	4,096	4,119	4,119	4,119
Unlinked Passenger Trips per Capita	**80.73**	**79.61**	**74.85**	**73.49**	**73.72**

***Note**: "Unlinked Passenger Trips" for fiscal year goals uses budget projections, so "Unlinked Passenger Trips per Capita" according to this budget statistic will differ from the long-term KPI goal published.*



- **Other Measures**
 - **Route Utilization** – Measured based on three criteria: 1) Fully allocated cost; 2) Total passenger revenue (calculated at average fare); and, 3) Operating ratio (passenger revenue divided by fully allocated cost).
 - *City Transit Division*: According to the "City Transit Division Service Standards and Process" adopted by the SEPTA Board in April 1995 and amended in March 2007: If a route performs below 60% of the average route operating ratio, remedial action is taken. Fiscal Year 2017's financial results will be approved for action in Fiscal Year 2019. City Transit Division's average was 29% and the substandard performance mark was 16%.
 - *Regional Rail Division*: According to the "Regional Rail Service Standards and Process" adopted by the SEPTA Board in March 2007: If a route performs below 60% of the average route operating ratio, remedial action is taken. Fiscal Year 2017's financial results will be approved for action in Fiscal Year 2019. Regional Rail Division's average was 41% and the substandard performance mark was 24%.

- *Suburban Transit (represents Victory and Frontier combined) Division*: According to the "Suburban Transit Division Service Standards and Process" adopted by the SEPTA Board in March 2007: If a route performs below 60% of the average route operating ratio, remedial action is taken. Fiscal Year 2017's financial results will be approved for action in Fiscal Year 2019. Suburban Transit Division's average was 23% and the substandard performance mark was 13%.

- **Other Financial and Productivity Goals**
 - **Scheduled Service Requirements** – 98% or higher of service operating as scheduled.
 - **Accessibility by Elderly and Disabled** – Achieve 100% of total requests for ADA trips (678,000 ADA City Division and 317,000 ADA Suburban Division trips).
 - **Vehicle Miles per Employee** – 10,568 or more vehicle miles per employee (includes miles in contracted services, Shared Ride, and ADA Paratransit).
 - **Administrative-to-Operating Employee Ratio** – 1:20 ratio between administrative employees and operating employees.
 - *Note: operating employees includes anyone in the "Operating Division," fare media sales & distribution, operations training, and customer service.*

Vehicles per Mechanic

A key staffing measure that establishes goals based on vehicle types reflecting the varying size, complexity, and condition of each fleet					
	FY 2015 Actual	**FY 2016 Actual**	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
Bus and Trackless Trolley	3.0	3.0	3.1	3.3	3.0
City Trolley	1.8	1.8	1.8	1.9	1.6
Market-Frankford Line	3.3	3.3	3.4	3.5	3.5
Broad Street Line	1.9	1.9	1.9	2.1	2.5
Media-Sharon Hill Line	1.4	1.5	1.5	1.5	1.3
Norristown High Speed Line	2.0	2.0	2.1	2.0	1.7
Regional Rail	1.6	1.6	1.5	1.5	1.6

***Note**: Mechanics assigned to SEPTA's vehicle overhaul program not included.*

The Customer Experience

Goal Statement: provide best-in-class transportation services that meet or exceed customer expectations.

Commendations-to-Complaints Ratio
Goal: 10% increase from FY 2013 by FY 2019

Total customer commendations divided by complaints received through media (mail, e-mail, phone, web)					
	FY 2015 Actual	**FY 2016 Actual**	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
Commendations	2,446	2,518	2,904	3,265	N/A
Complaints	41,056	47,568	53,216	56,218	N/A
Commendations-to-Complaints Ratio	***0.060***	***0.053***	***0.055***	***0.058***	***0.0602***

Customer Satisfaction Rating

SEPTA conducted a Customer Satisfaction Survey in 2015, resulting in 1,294 rider and 401 non-rider interviews (1,695 total respondents). Riders provided ratings on a scale of 0 – 10 and could provide observations on up to 3 modes taken within the last seven days prior to their interview. A total of 2,853 mode observations were collected. In 2015, the overall SEPTA Modal Average satisfaction rating maintained at 7.5 from 2012. The Customer Satisfaction Survey was taken in the spring of 2018 and the results are expected to be available later in Calendar Year 2018.

Approval rating ranked from 0-10 in SEPTA's Customer Satisfaction Survey				
	2008	**2010**	**2012**	**2015**
Suburban Trolley	7.7	8.2	7.9	8.0
Market-Frankford Line	7.4	8.2	8.0	7.8
Broad Street Line	7.3	8.0	7.9	7.7
Frontier Bus	7.5	7.5	7.3	7.7
Regional Rail	7.6	7.9	8.3	7.6
City Trolley	6.8	7.8	7.5	7.5
City Bus	6.6	7.4	7.0	7.3
Victory Bus	6.8	7.6	7.4	7.3
Unweighted Average	***7.2***	***7.8***	***7.7***	***7.6***
Weighted Average*	***7.0***	***7.7***	***7.5***	***7.5***

***Note**: Data is weighted by mode ridership in order to be representative of overall rider population; unweighted scores are included as this is how Modal Average scores have been reported in previous Customer Satisfaction Surveys.*

Service Reliability
Goal: Varies by Mode

Percentage of arrivals within 5 minutes, 59 seconds of schedule					
		FY 2016 Actual	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
SURFACE	***City/Suburban Bus***				
	Allegheny	77%	78%	77%	78%
	Callowhill	76%	74%	72%	75%
	Comly	80%	81%	79%	82%
	Frankford	81%	81%	78%	83%
	Midvale	75%	76%	76%	77%
	Southern	77%	77%	76%	78%
	Frontier	80%	82%	80%	82%
	Victory	78%	80%	78%	80%
	City Trolley	79%	78%	73%	78%
	Media-Sharon Hill Line	94%	94%	93%	95%
	Norristown High Speed Line	100%	100%	98%	98%
RAIL	**Broad Street Line**	99%	99%	99%	98%
	Market-Frankford Line	98%	97%	98%	98%
	Regional Rail	84%	78%	87%	90%

Uptime of Mission Critical IT Systems

Percentage of time during which mission critical communication platforms are fully operational				
	FY 2016 Actual	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
SEPTA.org	***100.00%***	***99.99%***	***99.99%***	***99.99%***
Real-Time Application Program Interface (API)	***98.37%***	***99.76%***	***99.40%***	***99.99%***

Communications Activity Index
Goal: 50% increase from FY 2014 by FY 2019

Composite index of activity on SEPTA's customer facing electronic communications platforms				
	FY 2016 Actual	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
SEPTA.org 1K Page Views	117,649	108,930	109,225	N/A
@SEPTA_Social Activity	54,357	61,868	56,941	N/A
Mobile App Downloads	118,656	104,888	188,149	N/A
Control Center Tweets	41,862	59,295	43,255	N/A
Communications Activity Index	***332,524***	***334,981***	***397,570***	***448,267***

Resource Management

Goal Statement: to implement best management practices that ensure SEPTA remains a sustainable, high-performance, outcome-driven agency.

Procurement Turnaround Time
Goal: 21 days for < $25K, 40 days for $25K-$100K, and 0% variance to goal for > $100K

Purchasing process efficiency within categories of procurements by dollar value				
	FY 2016 Actual	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
< $25,000 Procurements (in days)	19.4	19.2	19.0	21.0
$25,000 to $100,000 Procurements (in days)	51.2	52.8	53.2	40.0
> $100,000 Procurements	-11.4%	-11.5%	29.1%	0.0%

Carbon Footprint
Goal: 10% decrease in Emissions per Passenger Mile Traveled from FY 2013 by FY 2019

Emissions Per Passenger Mile Traveled = pounds of carbon dioxide equivalents emitted divided by passenger miles traveled (compared with single-occupancy vehicle)				
	FY 2016 Actual	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
Diesel (in gallons)	14,076,028	13,819,198	13,653,993	N/A
Electricity (in megawatt hours)	475,324	479,874	475,214	N/A
Gasoline (in gallons)	2,394,112	2,215,447	2,435,652	N/A
Natural Gas (in cubic feet)	2,105,821	2,479,102	2,638,509	N/A
Heating Oil (in gallons)	257,793	287,403	227,002	N/A
Steam (in millions of pounds)	29,333	25,261	29,768	N/A
Total Emissions (in carbon dioxide equivalents)	809,300,000	808,948,112	801,886,758	N/A
Passenger Miles (in thousands)	1,504,300	1,422,029	1,366,276	N/A
Emissions Per Passenger Mile Traveled	**0.538**	**0.569**	**0.587**	**0.489**

Waste Diversion Rate
Goal: 20% Diversion Rate

Diversion Rate = tons of recycled municipal waste divided by tons of total municipal waste				
	FY 2016 Actual	**FY 2017 Actual**	**FY 2018 Goal**	**FY 2019 Goal**
Recycled Municipal Waste (in tons)	1,407	567	N/A	N/A
Other Municipal Waste (in tons)	5,064	2,569	N/A	N/A
Diversion Rate	**21.7%**	**18.1%**	**20.0%**	**20.0%**

State of Good Repair & Reliability

Goal Statements: to reduce SEPTA's backlog of capital repair needs in a way that improves safety, reliability, capacity, and the customer experience.

Major Capital Project Deadlines Achieved within 90 Days of Deadline

Number of major project deadlines achieved within 90 days divided by total major projects with deadlines				
	FY 2016 Actual	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
Major Project Deadlines Achieved within 90 Days	102	80	66	N/A
Total Major Project Deadlines	120	99	78	N/A
Achievement Rate	**85.0%**	**80.8%**	**84.6%**	**80.0%**

***Note**: The original goal as established in the FY 2015 - 2019 Strategic Business Plan has been achieved, and new goals have been established accordingly.*

Mean Distance between Failures
Goal: Varies by Mode

Fleet miles traveled divided by mechanical failures requiring vehicle to be removed from revenue service					
		FY 2016 Actual	**FY 2017 Actual**	**FY 2018 Actual**	**FY 2019 Goal**
SURFACE	***City/Suburban Bus***				
	Allegheny	6,408	6,925	7,525	7,000
	Callowhill	7,207	6,723	7,817	7,000
	Comly	12,463	13,182	13,867	12,000
	Frankford	13,559	14,604	14,702	14,000
	Midvale	7,357	7,339	7,184	7,500
	Southern	7,447	7,530	7,380	7,500
	Frontier	25,148	26,446	22,669	22,000
	Victory	12,856	12,002	11,462	14,500
	City Trolley	8,577	10,006	10,378	7,500
	Media-Sharon Hill Line	18,004	26,174	17,139	20,000
	Norristown High Speed Line	56,518	51,872	27,215	35,000
RAIL	**Broad Street Line**	151,160	165,978	127,360	135,000
	Market-Frankford Line	105,105	108,591	103,442	80,000
	Regional Rail	23,352	23,546	41,718	30,000

Employee Growth

Goal Statement: to attract, develop, and retain a diverse, healthy, and versatile workforce.

Incremental Improvement from Ongoing Focus on Women and Minority Hiring Efforts

		7/1/15 Actual	**7/1/16 Actual**	**7/1/17 Actual**	**7/1/18 Actual**	**7/1/19 Goal**
Management (% out of total management employees)	**Minority**	42.0%	44.4%	46.1%	46.9%	47%
	Women	17.2%	19.0%	19.8%	20.3%	20%
Professional (% out of total professional employees)	**Minority**	36.5%	38.1%	39.2%	39.4%	40%
	Women	36.0%	35.2%	34.1%	33.9%	35%

***Note**: The original goal as established in the FY 2015 - 2019 Strategic Business Plan has been achieved, and new goals have been established accordingly.*

Budget Development

The first step of the budget development process begins with a meeting attended by the Operating Budget, Office of Innovation and Strategic Planning staff in December to discuss the key initiatives for the upcoming fiscal year. These initiatives are incorporated into each division's goals and funding is provided within the financial constraints determined by the Chief Financial Officer and the Deputy General Manager/Treasurer.

The next major step in the process occurs in January with the preparation of a draft service projection for the following fiscal year. This is a collaborative effort between the Operating Budget and Service Planning Departments and results in a detailed service projection and Authority-wide expense projection by mid-February.

The Operating Budget Department also meets with personnel from each staff and operating department to review specific budget requirements and potential issues for the following fiscal year. Based on these meetings and the Strategic Planning Initiatives, the service projection may then be revised if necessary. Departmental expense levels are set accordingly and preliminary authorization letters and the budget database template are distributed to all departments in March.

Operating and staff department personnel then populate the Management Planning and Control (MPC) operating budget database template for submission. The Operating Budget Department reviews each submission and recommends corrections or revisions as necessary. The submissions are then compiled and the SEPTA Board is briefed.

Period for Public Comment

The Operating Budget Department publishes SEPTA's Operating Budget Proposal on the Authority's Website and distributes it publicly in late March, thus beginning the period for public comment, which is open until the end of April. SEPTA's Board Chairman appoints an independent hearing examiner to conduct public hearings in each of the five counties that SEPTA serves. Public hearings are then held in late April to inform the public and to solicit public comment on the proposal. SEPTA staff presents testimony and responds to inquiries from the public.

Adoption

The hearing examiner evaluates the SEPTA staff proposal together with public commentary and issues a report to the Board in the beginning of May. Included in this report are recommendations the hearing examiner may choose to make as a result of his review. The Board of Directors adopts a budget for the upcoming fiscal year at its regular May Board meeting on the fourth Thursday of the month.

Budget Amendment

Subsequent amendments to the total budget are handled in the same manner as the annual budget process. That is, budget amendments would be subject to the same three phases of the annual process: budget development, period for public comment and budget adoption.

Fiscal Year Calendar
July 1, 2018 to June 30, 2019

S	M	T	W	TH	F	S		S	M	T	W	TH	F	S	
JULY 2018							Days	**JANUARY 2019**							Days
1	2	3	4	5	6	7	Cum	30	31	1	2	3	4	5	Cum
8	9	10	11	12	13	14	28	6	7	8	9	10	11	12	28
15	16	17	18	19	20	21	28	13	14	15	16	17	18	19	211
22	23	24	25	26	27	28		20	21	22	23	24	25	26	
AUGUST 2018								**FEBRUARY 2019**							
29	30	31	1	2	3	4		27	28	29	30	31	1	2	
5	6	7	8	9	10	11	35	3	4	5	6	7	8	9	28
12	13	14	15	16	17	18	63	10	11	12	13	14	15	16	239
19	20	21	22	23	24	25		17	18	19	20	21	22	23	
26	27	28	29	30	31	1									
SEPTEMBER 2018								**MARCH 2019**							
2	3	4	5	6	7	8		24	25	26	27	28	1	2	
9	10	11	12	13	14	15	28	3	4	5	6	7	8	9	35
16	17	18	19	20	21	22	91	10	11	12	13	14	15	16	274
23	24	25	26	27	28	29		17	18	19	20	21	22	23	
								24	25	26	27	28	29	30	
OCTOBER 2018								**APRIL 2019**							
30	1	2	3	4	5	6		31	1	2	3	4	5	6	
7	8	9	10	11	12	13	28	7	8	9	10	11	12	13	28
14	15	16	17	18	19	20	119	14	15	16	17	18	19	20	302
21	22	23	24	25	26	27		21	22	23	24	25	26	27	
NOVEMBER 2018								**MAY 2019**							
28	29	30	31	1	2	3		28	29	30	1	2	3	4	
4	5	6	7	8	9	10	35	5	6	7	8	9	10	11	35
11	12	13	14	15	16	17	154	12	13	14	15	16	17	18	337
18	19	20	21	22	23	24		19	20	21	22	23	24	25	
25	26	27	28	29	30	1		26	27	28	29	30	31	1	
DECEMBER 2018								**JUNE 2019**							
2	3	4	5	6	7	8		2	3	4	5	6	7	8	
9	10	11	12	13	14	15	28	9	10	11	12	13	14	15	29
16	17	18	19	20	21	22	182	16	17	18	19	20	21	22	365
23	24	25	26	27	28	29		23	24	25	26	27	28	29	
								30							

	Key Activities	Dec-17		Jan-18				Feb-18				Mar-18					Apr-18				May-18				Jun-18	Jul-18	Aug-18
	week or period ending date	16	30	6	13	20	27	3	10	17	24	3	10	17	24	31	7	14	21	28	5	12	19	26	30	31	11
1	SEPTA Management discussion of priorities and Strategic Plan Initiatives for the upcoming year																										
2	Meetings with SEPTA's operating and staff departments																										
3	Develop draft service projection based on current service and FY 2019 levels																										
4	Schedule Public Hearings																										
5	Develop overall and department projections																										
6	Budget Department review of submissions																										
7	Adjust overall and departmental projections																										
8	Budget Update Presentation to GM Team																										
9	Revise Service Projections as necessary																										
10	Distribute preliminary budget authorization letters to all Staff and Operating Departments																										
11	Budget adjustments are input into Management Planning and Control software (MPC)																										
12	Review first draft of FY 2019 Operating Budget Proposal																										
13	Public Hearing Notice to press relations																										
14	Prepare Public Hearing Testimony																										
15	Public Hearing Notice published in newspapers & SEPTA website/posted at major transportation centers/Associated Services for the Blind website																										
16	Publish FY 2019 Operating Budget Proposal on SEPTA website																										
17	Period for public commentary																										
18	Public Hearings in City of Philadelphia and Suburban counties																										
19	Report from the Hearing Examiner to Board																										
20	Board Budget Committee Briefing																										
21	Board adopts FY 2019 Operating Budget																										
22	Final budget adjustments to MPC																										
23	Publish Final FY 2019 Operating Budget Book on SEPTA website																										

3. Fiscal Year 2019 Assumptions & Consolidated Budget

This document presents the Fiscal Year 2019 Operating Budget. In section 6, Fiscal Years 2017 and 2018 actual results are also presented for comparison.

Service

The Fiscal Year 2019 Operating Budget of $1.45 billion in operating expenses assumes transportation service levels will remain generally consistent with Fiscal Year 2018.

Revenue

Operating Revenue for Fiscal Year 2019 is projected to increase $3.9 million or 0.8% higher than the Fiscal Year 2018 actual results. The other revenue budget is 9.5% higher than Fiscal Year 2017 actual results due to higher investment returns, advertising income, parking lot fees, and real estate rents. The other revenue budget decrease of 1.2% from Fiscal Year 2018 actual results is due, in part, to higher property damage recoveries than anticipated in Fiscal Year 2018 and lower fund balances in Fiscal Year 2019 resulting in a reduction in investment returns. The Authority will continue to aggressively pursue additional sources of non-farebox revenue such as increased advertising and real estate rentals.

Expenses

Fiscal Year 2019 expenses total $1.45 billion. Fiscal Year 2018 actual results included unanticipated expense savings from unsettled labor contracts, self-insured healthcare costs and claims while also benefiting from lower fuel prices. The Fiscal Year 2019 budget includes normalized labor, fringe benefit and claims costs while providing for higher projected vehicle maintenance and fuel costs.

State and Local Subsidy

Fiscal Year 2019 state and local subsidies include a grant from the Pennsylvania Public Transportation Trust Fund. Act 44 of 2007 established the trust fund and Act 89 of 2013 amended Act 44. These acts dedicate state funding for public transportation agencies across the Commonwealth of Pennsylvania. Trust fund grants are required to be matched locally at 15%. Total projected State Operating Subsidy for FY 2019 is $691.3 million with a Local Match of $103.7 million.

The Commonwealth and counties also provide a 20% match on federal funds received or $11.0 million to fund Amtrak trackage lease expenses and certain debt service payments. Additionally, $1.3 million of funds are provided for lease expenses for copiers, inventory warehousing, and communications antenna towers. Funding of $32.0 million is also provided by the Commonwealth for Debt Service with a Local Match of $1.1 million provided by the five counties.

Federal Subsidy

Federal Subsidy includes Federal Preventive Maintenance funds of $36.8 million, Federal Capital Lease Subsidy of $37.6 million, and Capital Debt Service of $6.2 million.

3. Fiscal Year 2019 Assumptions & Consolidated Budget

Amounts in Thousands ('000)		FY 2019 Budget
REVENUE		
Passenger Revenue	$	470,500
Shared Ride Program		16,725
Other Income		38,586
Investment Income		2,660
TOTAL OPERATING REVENUE	**$**	**528,471**
EXPENSES		
Labor and Fringe Benefits	$	1,038,640
Material and Services		298,293
Injury and Damage Claims		28,655
Propulsion Power		31,430
Fuel		29,914
Vehicle and Facility Rentals		5,941
OPERATING EXPENSE	**$**	**1,432,873**
Depreciation/Contributed Capital	$	20,148
TOTAL EXPENSES	**$**	**1,453,021**
DEFICIT BEFORE SUBSIDY	**$**	**(924,550)**
OPERATING SUBSIDY		
Federal	$	80,578
State		735,209
Local		105,197
Other		3,566
TOTAL SUBSIDY	**$**	**924,550**
SURPLUS/(DEFICIT)	**$**	**-**

4. Financial & Budgetary Policies

FINANCIAL PLANNING POLICIES

Balanced Budget

The SEPTA Board adopts a balanced budget, or short term operating spending plan, before the start of each fiscal year in accordance with the enabling legislation of the Commonwealth of Pennsylvania. A balanced budget is one in which expected operating revenues and subsidies equal expected operating expenses. When a deviation from a balanced budget is foreseen or occurs, this is reported as an operating surplus or deficit.

Fiscal Year

The Authority's budget is prepared on a fiscal year basis, beginning July 1 and ending June 30, which is consistent with the financial statements.

Basis of Financial Reporting and Budgeting

The Authority's annual financial statements are prepared using the economic resources measurement focus and the accrual basis in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. Revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The Authority distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from the Authority's principal operation of providing passenger transportation service. The principal operating revenues are passenger fares and the principal operating expenses are related to the delivery of passenger transportation.

The budget is prepared on a similar basis as the annual financial statements, with the following exceptions:

- The budget includes depreciation net of amortization of contributed capital, while the annual financial statements report gross depreciation. Amortization of contributed capital has been replaced in the annual financial statements by capital grant funding.
- The budget includes a resultant Surplus or Deficit, while the annual financial statement reports a Change in Net Position.
- The budget includes investment income in operating revenue, while the annual financial statements treat this item, and all other subsidies, as non-operating. Conversely, route guarantees classified as operating revenue commencing in Fiscal Year 2013 in the annual financial statements continue to be classified as an operating subsidy within the budget. Additionally, interest expense is treated as non-operating in the annual financial statements.
- The net actuarially determined other post-employment benefit obligation recognized under Governmental Accounting Standards Board (GASB) Statement No. 45 in 2008, which was replaced by GASB 75 and implemented by the Authority in Fiscal Year 2018, has been excluded from budgeted expenses. The expense impact of the annual unfunded pension liability change under GASB 68, implemented by the Authority in Fiscal Year 2015, is also excluded from budgeted expenses. Such costs are included in operating expenses in the annual financial statements. The OPEB is funded and budgeted on a pay-as-you-go basis, whereas pensions are funded and budgeted based on actuarially determined contributions calculated by an independent actuary.

Long-Range Planning

SEPTA continually assesses the consequences of national, state, and local demographic, economic, travel, and development trends for SEPTA's current and future operations, services, and capital projects. This assessment includes the evaluation of current and potential service levels in accordance with SEPTA's Annual Service Plan and the City Transit, Suburban Transit, and Regional Rail Service Standards and Processes. This assessment forms the backdrop for SEPTA's long-range planning and the basis for the five-year financial projections, which are included in the adopted budget for each fiscal year.

The five-year financial projection includes fare increases every three years and SEPTA anticipates the next fare increase will occur in Fiscal Year 2021. This, along with prudent oversight of expenditures, will facilitate balanced budgets in future years.

Asset Management

SEPTA has established an internal control structure to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The Procurement, Supply Chain Management and Disadvantaged Business Enterprise Division is responsible for the purchase, lease, sale, and disposal of parts, equipment, supplies, repairs, and services utilized by the Authority. This includes the coordination and enforcement of federal, state, and local funding agency regulations for all approved capital expenditures. The principal areas of responsibility include compliance and support services, contract administration, purchasing, resource control, and production control. The specific function of this group is further defined in the departmental section of this budget document.

REVENUE POLICIES

Revenue Diversification

The Authority continues to explore areas for revenue diversification and enhancement to supplement passenger revenue and subsidies. Such enhancements shall include, but not be limited to, developing new business and community partnerships, expanding the advertising program, selling naming rights of transit stations, identifying opportunities to serve new markets, and pursuing parking initiatives to increase ridership and parking revenue.

Fees and Charges

The Authority's fare structure has been implemented in accordance with legislation established by the Legislature of the Commonwealth of Pennsylvania and applicable federal legislation. Changes to SEPTA's fare structure are subject to the guidelines established by this legislation, including a public hearing process.

One-time Revenues

The Authority has adopted a policy whereby it does not rely on one-time revenues to finance ongoing operations.

Unpredictable Revenues

There are no major revenue sources that the Authority believes to be unpredictable in nature. The Authority has adopted a policy whereby it does not rely on unpredictable revenues to finance ongoing operations.

EXPENDITURE POLICIES

Accountability

All divisions within SEPTA are expected to adhere to budgeted guidelines. Managers are held accountable for operating within their authorized budget.

The spending plan is based both on an assessment of ongoing needs to maintain existing service levels and to introduce new programs. Due to external constraints on the Authority's expense growth, expansion is limited to those programs exhibiting the highest degree of cost effectiveness and payback in future economies. Budgeting is done at the management center level and managers are provided with detailed variance reports on a monthly basis.

Numerous financial safeguards and controls are in place throughout the Authority to prevent wasteful or unnecessary spending. The Office of Innovation Department conducts assessments of various SEPTA operations and will recommend structural and process changes when deemed appropriate to ensure SEPTA operates as efficiently as possible. In addition, the Authority's Internal Audit Department and numerous outside agencies, many of whom supply SEPTA with funding, regularly audit the Authority.

The Authority has established a policy of comparing actual expenditures to budget on a monthly basis for both operating and capital expenditures. For capital expenditures, this reporting is handled by the Project Control Department of the Engineering, Maintenance & Construction Division. For operating expenditures, reporting is handled jointly by the Operating Budget and General Accounting Departments of the Finance and Planning Division. In addition, each operating and staff department is responsible for periodic reporting and analysis of expenditures. Actions to bring the budget into balance are implemented by the General Manager, with input from staff. Actions such as fare increases or significant service changes require Board approval.

Service Stabilization Accounts

The Authority has adopted a policy to maintain a prudent level of financial resources to protect against the need to reduce service levels or increase fares due to revenue/subsidy shortfalls and/or unanticipated one-time expenditures.

DESCRIPTION OF EXISTING DEBT AND DEBT SERVICE POLICIES

Revenue Refunding Bonds

The Revenue Refunding Bonds are limited obligations of the Authority and the principal and interest thereon are payable solely from the revenues received by the Authority from the Pennsylvania Consolidated Statutes, including all moneys distributed to the Authority from the Public Transportation Assistance Fund created under Article XXIII of the Pennsylvania Tax Reform Code of 1971, as amended.

On July 18, 2007, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2007 – 44 ("Act 44"), which, effective July 1, 2007, among other things, (a) repealed 74 Pa C.S. Ch. 13 (which included Section 1310); and (b) provides, in pertinent part that, notwithstanding such repeal, (i) the PTA Fund shall continue to receive the revenue the PTA Fund was entitled to receive on June 30, 2007, (ii) despite the repeal of 74 Pa. C.S. Ch. 13 and, in particular, Section 1310, transit entities that have outstanding obligations shall continue to receive money from the PTA Fund calculated and paid in the same manner as was provided on June 30, 2007, and (iii) money remaining in the PTA Fund after amounts are disbursed as described in (ii) above shall be transferred monthly to the Public Transportation Trust Fund established under 74 Pa. C.S. Ch. 1506.

The Authority, as a transit entity under Act 44, will continue to receive amounts distributed from the PTA Fund that are calculated and paid in the same manner as was prescribed prior to the repeal of Section 1310.

On November 25, 2013, the Governor of the Commonwealth of Pennsylvania signed into law Act No. 2013 – 89 ("Act 89"), which increased available Capital funding for transportation commencing in FY 2014. Act 89 has no effect on the amounts that the Authority is otherwise entitled to receive under Act 44 for repayment of its Revenue Refunding Bond obligations.

The Authority's policy is to issue debt periodically to supplement federal and state grants in support of the Authority's capital plan. There are no requirements to establish legal debt limits.

In March 2007, the Authority issued $131.7 million of Variable Rate Revenue Refunding Bonds, Series of 2007. The net proceeds from the sale of the 2007 Bonds were used to currently refund the Authority's outstanding Special Revenue Bonds, Series of 1997 and to pay the premium for a debt service reserve fund insurance policy. The net proceeds of the 1997 bonds had been used to reimburse the Authority for a portion of the costs of certain capital projects; refund certain leases entered into by the Authority for a building and related equipment; pay the costs of certain capital projects and pay the premium for a debt service reserve fund insurance policy. In December 2012, the Authority converted the $97.95 million remaining outstanding principal amount of the 2007 bonds from the Daily Rate Mode to the Indexed Mode.

In October 2010, the Authority issued $222.5 million Revenue Refunding Bonds, Series of 2010 due in varying amounts through 2028, with annual interest rates ranging from 2% to 5%. The net proceeds from the sale of the 2010 Bonds, together with other funds of the Authority, were used to (a) currently refund the outstanding principal amount of the 1999 Special Revenue Bonds, Series A and Series B, (b) fund the termination payments and accrued amounts payable in connection with the termination of certain swap agreements and, (c) fund certain costs and expenses incurred in connection with the issuance and sale of the 2010 Bonds. The net proceeds of the 1999 Bonds had been used to finance a portion of the Market-Frankford subway-elevated line vehicle acquisition program; refinance a bridge loan for payment of a portion of the vehicle acquisition program; refund $73.2 million of the 1995A Bonds; reimburse the Authority for a portion of the costs of certain capital projects and pay a portion of the premium for a debt service reserve fund insurance policy.

On October 11, 2017, the Authority issued $59.97 million par amount of Revenue Refunding Bonds, Series 2017 (the "2017 Bonds"). The 2017 Bonds are due in varying amounts with maturity dates of March 1, 2021 through and including March 1, 2028. The 2017 Bonds were issued at a premium and have yields ranging between 1.25% and 2.3%, and bear a 5% annual interest rate. The proceeds from the sale of the 2017 Bonds in the amount of $71.88 million were used to (a) advance refund a portion of the Authority's Revenue Refunding Bonds, Series of 2010 ("Refunded 2010 Bonds") in the aggregate principal amount of $65.84 million, and (b) fund certain costs and expenses incurred by the Authority in connection with the issuance and sale of the 2017 Bonds. Concurrently with the issuance of the 2017 Bonds, a portion of the proceeds along with other available moneys of the Authority, were irrevocably deposited into an escrow account pursuant to the terms of an Escrow Agreement and invested in Government Obligations, the maturing principal of and interest on which will be sufficient to pay the interest and principal on the Refunded 2010 Bonds as such payments become due. Upon the deposit of the funds for the advance refunding of the Refunded 2010 Bonds pursuant to the terms of the Escrow Agreement, the Refunded 2010 Bonds were deemed to no longer be outstanding under the Indenture.

Capital Grant Receipts Bonds

On August 16, 2011, the Authority issued $201.6 million of Capital Grant Receipts Bonds, Series 2011 due in varying amounts through 2029 with annual interest rates ranging from 3% to 5%. The net proceeds from the sale of the 2011 Capital Grant Receipts Bonds were used to (a) finance the acquisition of 116 Silverliner V Regional Railcars, (b) finance the rehabilitation of Wayne Junction Intermodal Facility, (c) fund a deposit to the Debt Service Reserve Fund, and (d) fund certain costs and expenses in connection with the issuance and sale of the 2011 Bonds.

The Capital Grant Receipts Bonds, Series 2011 are limited obligations of the Authority and are payable solely from and secured solely by (I) all amounts received by the Authority from the "Grant Receipts", (II) amounts on deposit in certain funds and accounts established under the Indenture, including investment earnings thereon, and (III) any and all other moneys and securities furnished from time to time to the Trustee by the Authority. Grant Receipts consist of all amounts received by the Authority after the date of issuance of the 2011 Bonds from its share of FTA Section 5337 State of Good Repair Funding, and for each Federal Fiscal Year thereafter. FTA Section 5337 State of Good Repair Funding is the successor to FTA Section 5309 Fixed Guideway Modernization Formula Funding.

On October 19, 2017, the Authority issued $102.30 million par amount of Capital Grant Receipts Refunding Bonds, Series 2017 (Federal Transit Administration Section 5337 State of Good Repair Formula Program Funds), (the "2017 CGR Bonds"). The 2017 CGR Bonds are due in varying amounts with maturity dates of June 1, 2018, and June 1, 2022 through and including June 1, 2029. The 2017 CGR Bonds were issued with a premium and have yields ranging between 1.20% and 2.51%, and bear a 5% annual interest rate. The proceeds from the sale of the 2017 CGR Bonds in the amount of $123.07 million, together with other available moneys of the Authority, were used to (a) advance refund a portion of the Authority's Capital Grant Receipts Bonds, Series 2011 (Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds) (the "2011 Bonds"), in the aggregate principal amount of $110.45 million, and (b) fund certain costs and expenses incurred by the Authority in connection with the issuance and sale of the 2017 CGR Bonds. Concurrently with the issuance of the 2017 CGR Bonds, a portion of the proceeds of the 2017 CGR Bonds and other moneys of the Authority were irrevocably deposited into an escrow account pursuant to an Escrow Agreement and invested in Government Obligations, the maturing principal of and interest on which will be sufficient to pay the interest and principal on the Refunded 2011 Bonds as such payments become due. Upon the deposit of the funds for the advance refunding of the Refunded 2011 Bonds pursuant to the terms of the Escrow Agreement, the Refunded 2011 Bonds were deemed to no longer be outstanding under the Indenture.

New Payment Technology Loan

On March 29, 2012, the Authority entered into an agreement with PIDC Regional Center LP XXVIII for a low cost, construction-like loan for an amount not to exceed $175 million to fund the SEPTA Key project. The SEPTA Key project will modernize SEPTA's current fare payment system by allowing direct fare with a variety of contactless devices including debit cards, credit cards and smart phones. The loan was made available to SEPTA under guidelines of the U.S. Immigrant Investor Program, sponsored by the United States Citizenship and Immigration Services (USCIS). The loan has three separate tranches of $35 million, $75 million and $65 million and the final drawdown occurred on January 31, 2017. This is an interest only loan with a rate of 1.75% and maturities ranging between 5 and 6 years. The Authority repaid the first tranche principal amount of $35 million that matured on May 30, 2017. The Authority anticipates utilizing Federal Grants with state and local match, to repay the loan as each tranche matures.

Energy Savings Company "ESCO" Lease/Purchase Agreement
The Authority entered into a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corporation on November 24, 2015. There are two tranches of debt; tranche 1 has a principal amount of $4.2 million, and an interest rate of 2.37% and a final maturity of June 1, 2026; and tranche 2 has a principal amount of $14.0 million, an interest rate of 3.2%, and a final maturity of June 1, 2033. The equipment to be installed will serve to reduce the Authority's energy consumption and the resultant annual operating savings are guaranteed by the ESCO to equal or exceed the annual debt service and other annual project-related expenses throughout the term of the agreement.

The Authority entered into a Master Equipment Lease/Purchase Agreement with PNC Equipment Finance, LLC on November 30, 2016. The total amount financed is $35.9 million, due in varying amounts through March 30, 2034 with an annual nominal interest rate of 2.83%. The equipment to be leased/purchased will include the installation of various energy conservation measures through a third party agreement which will serve to reduce the Authority's energy consumption and operating expenses. The measures to be taken include the construction of a Combined Heat and Power Plant ("CHP") that will provide electricity to the Wayne Junction substation and Midvale bus maintenance facility, the installation of interior and exterior LED lighting upgrades to certain Authority owned buildings, and other work to conserve energy. The resultant annual operating savings are guaranteed by the ESCO to equal or exceed the annual debt service payments and other annual project related expenses throughout the term of the agreement.

EB-5 Loan for Equipment and Infrastructure
On January 1, 2016, the Authority entered into an EB-5 loan agreement with Delaware Valley Regional Center, LLC, for an amount up to $300 million to partially finance various capital projects. On April 28, 2017, SEPTA borrowed $100 million under this agreement. This is an interest only loan with a rate of 2.0% and a maturity date of July 1, 2022. On November 1, 2017, the Authority borrowed an additional $90 million under this agreement. The loan bears an interest rate of 2.0% and will mature on November 1, 2022.

Revolving Line of Credit Agreement
On September 1, 2017, the Authority entered into a $100 million Revolving Line of Credit Agreement ("Committed Line of Credit Note") with PNC Bank, National Association, with an expiration date of August 31, 2018. The Note is unsecured and bears interest at the Daily Libor Rate plus a credit spread. The facility fee associated with the revolving line of credit varies depending upon the amount borrowed and outstanding during the one-year term. As of July 18, 2018, there was no balance outstanding related to the Revolving Line of Credit.

Debt Limit
The Authority does not have a debt limit, but must demonstrate the ability to repay prior to entering into a loan agreement or issuing bonds.

Debt Service
The Authority has three series of Revenue Refunding Bonds (issued in 2007, 2010 and 2017), and two series of Capital Grant Receipts Bonds (issued in 2011 and 2017) currently outstanding. In March 2012 the Authority entered into an EB-5 loan agreement to fund the SEPTA Key Project and in January 2016 entered into a second EB-5 loan agreement to partially finance various capital projects. In November of both 2015 and 2016, the Authority entered into "ESCO" Lease/Purchase Agreements.

Debt Service Requirements
Interest on the Series 2007, Series 2010 and Series 2017 Revenue Refunding Bonds is payable semi-annually on March 1 and September 1, and interest on the Series 2011 and Series 2017 Capital Grant Receipts Bonds is payable semi-annually on December 1 and June 1. The aggregate debt service requirements for the Revenue Refunding Bonds and Capital Grant Receipts Bonds, the ESCO Agreements, and the EB-5 Loans, are summarized in the following tables:

Bond Debt Service Requirements
(Amounts in Thousands)

Fiscal Year	Interest*	Principal	Total
2019	$ 14,545	$ 35,670	$ 50,215
2020	12,711	37,455	50,166
2021	10,810	31,085	41,895
2022	9,217	31,480	40,697
2023	7,594	20,345	27,939
2024	6,577	21,375	27,952
2025	5,508	22,440	27,948
2026	4,386	23,555	27,941
2027	3,208	24,740	27,948
2028	1,971	24,720	26,691
2029	737	14,730	15,467
TOTAL	**$ 77,264**	**$ 287,595**	**$ 364,859**

*Interest on the Series 2007 Bonds is a synthetic fixed rate of 4.706%

ESCO Debt Service Requirements
(Amounts in Thousands)

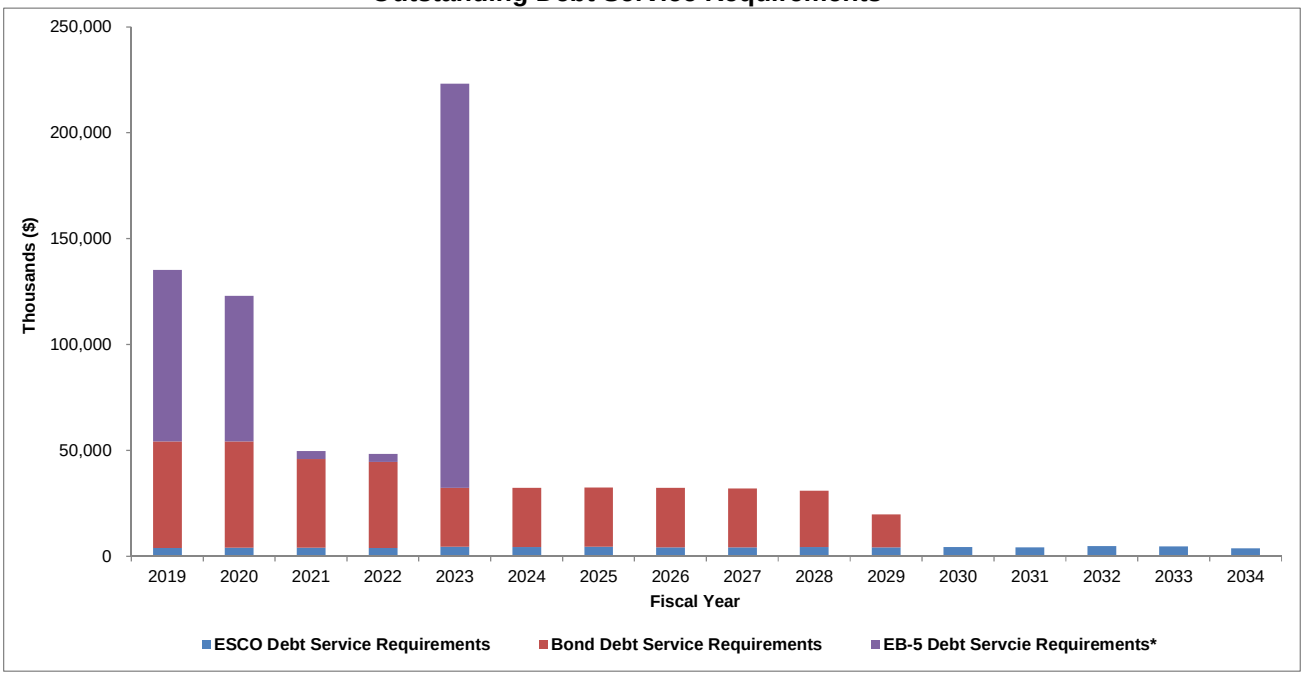
Fiscal Year	Interest	Principal	Total
2019	$ 839	$ 3,064	$ 3,903
2020	1,465	2,537	4,002
2021	1,390	2,612	4,002
2022	1,314	2,538	3,852
2023	1,239	3,155	4,394
2024	1,147	3,165	4,312
2025	1,054	3,473	4,527
2026	953	3,306	4,259
2027	861	3,254	4,115
2028	767	3,517	4,284
2029	666	3,566	4,232
2030	563	3,725	4,288
2031	455	3,776	4,231
2032	346	4,438	4,784
2033	219	4,392	4,611
2034	99	3,517	3,616
TOTAL	**$ 13,377**	**$ 54,035**	**$ 67,412**

EB-5 Loan Debt Service Requirements
(Amounts in Thousands)

Fiscal Year	Interest	Principal	Total
2019	$ 6,141	$ 75,000	$ 81,141
2020	3,800	65,000	68,800
2021	3,800	-	3,800
2022	3,800	-	3,800
2023	917	190,000	190,917
TOTAL	**$ 18,458**	**$ 330,000**	**$ 348,458**

A graph of the Authority's outstanding debt service requirements is illustrated below:

Outstanding Debt Service Requirements



*The EB-5 Loan for Equipment and Infrastructure matures in fiscal year 2023 and the Authority plans to refinance the amount due at this time.

STATEMENT OF CHANGES IN EQUITY

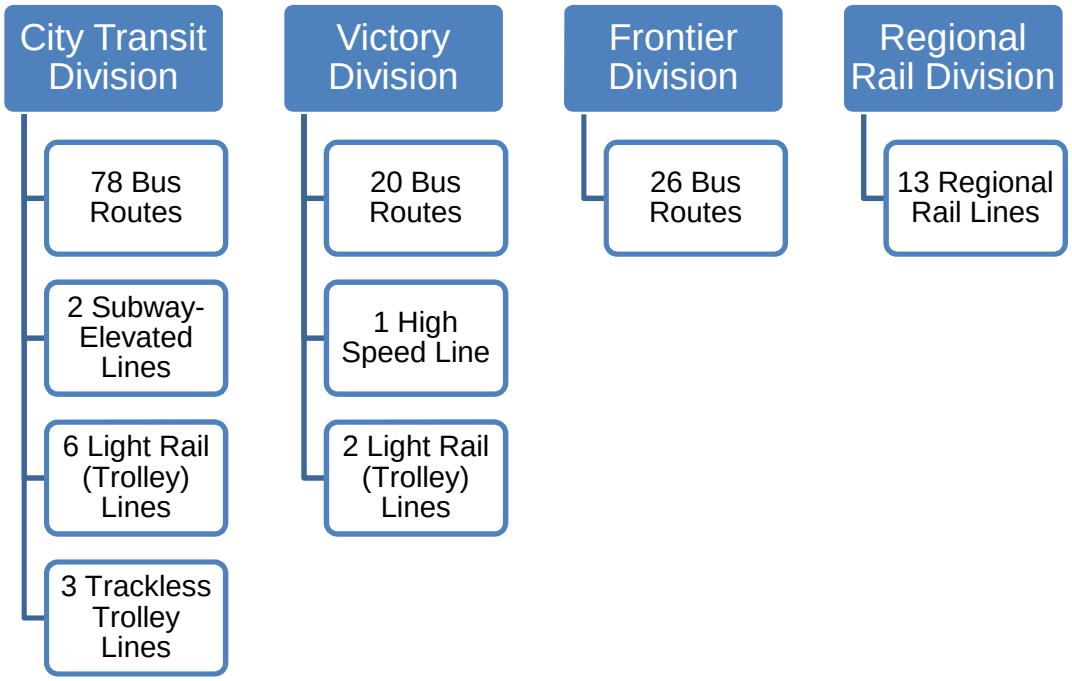
The comparative fiscal year Statement of Changes in Equity displays the Authority's change in contributed capital as well as the change in its accumulated operating deficit, including the fiscal year operating financial results on a balanced budget reporting basis. The equity amounts below exclude the post-employment benefit and unfunded pension obligations recognized under GASB 45, 75, and 68, respectively. Operating surpluses are reducing deficits accumulated in prior years.

Statement of Changes in Equity
(Amounts in Thousands)

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget
Contributed Capital:			
Balance at Beginning of Year	$ 3,464,522	$ 3,620,848	$ 3,789,664
Capitalized Grant Property	510,315	535,984	538,664
Capitalized Grant Property - Retirements	(18,270)	(37,573)	(43,703)
Amortization	(353,987)	(367,066)	(397,304)
Amortization - Retirements	18,268	37,471	43,436
Contributed Capital Balance at End of Year	**$ 3,620,848**	**$ 3,789,664**	**$ 3,930,757**
Operating Surplus/(Deficit):			
Accumulated Operating Deficit, Beginning of Year	$ (181,989)	$ (183,714)	$ (184,134)
Operating Surplus	207	444	-
Unrealized Investment Gain/(Loss)	(1,932)	(864)	-
Operating Deficit After Unrealized Investment Loss	**$ (1,725)**	**$ (420)**	**$ -**
Accumulated Operating Deficit, End of Year	**$ (183,714)**	**$ (184,134)**	**$ (184,134)**
Total Equity	**$ 3,437,134**	**$ 3,605,530**	**$ 3,746,623**

5. Organizational Structure
Operating Divisions

The Pennsylvania General Assembly established the Southeastern Pennsylvania Transportation Authority (SEPTA) on February 18, 1964 to provide public transit services for Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties. Over the years, SEPTA acquired the assets of several private transportation operators to form four operating divisions. This distinction permits the efficient implementation of various collective bargaining agreements and the computation of local subsidies. Although the revenue and costs are logically accounted for separately, the operating and staff departments exist in a matrix structure and function as a cohesive unit beneath the following four broad operating divisions:



City Transit Division
SEPTA acquired the assets of the former Philadelphia Transportation Company in 1968, forming the current City Transit Division. The City Transit Division, which primarily serves the City of Philadelphia, operates 78 bus routes, 6 light rail (trolley) lines, 3 trackless trolley lines, and 2 subway-elevated lines.

Victory Division
The Victory Division, formerly known as the Philadelphia Suburban Transportation Company, serves Chester, Delaware, and Montgomery Counties. Also known as Red Arrow until 1970, SEPTA's Victory Division is comprised of 20 bus routes, 2 light rail (trolley) lines, and 1 high speed line.

Frontier Division
The Frontier Division consists of 26 bus routes serving Bucks, Chester, and Montgomery Counties. These routes formerly came under the auspices of several private operators including Schuylkill Valley Lines, which was acquired in 1976.

Regional Rail Division
The Regional Railroad serves the City of Philadelphia, as well as Bucks, Chester, Delaware, and Montgomery Counties, with service to Newark, Delaware, and Trenton and West Trenton, New Jersey. The infrastructure and assets of the Regional Railroad were previously operated by the Pennsylvania and Reading Railroads. These regional rail lines were operated by Conrail from 1976 through 1982, and acquired by SEPTA in 1983.

5. Organizational Structure

SEPTA BOARD

SEPTA is governed by a Board consisting of fifteen Directors. The City of Philadelphia and the Counties of Bucks, Chester, Delaware, and Montgomery each appoint two members to the Board. The Pennsylvania Senate and House collectively appoint four members and the Governor of Pennsylvania appoints one representative.

OPERATING AND STAFF DEPARTMENTS

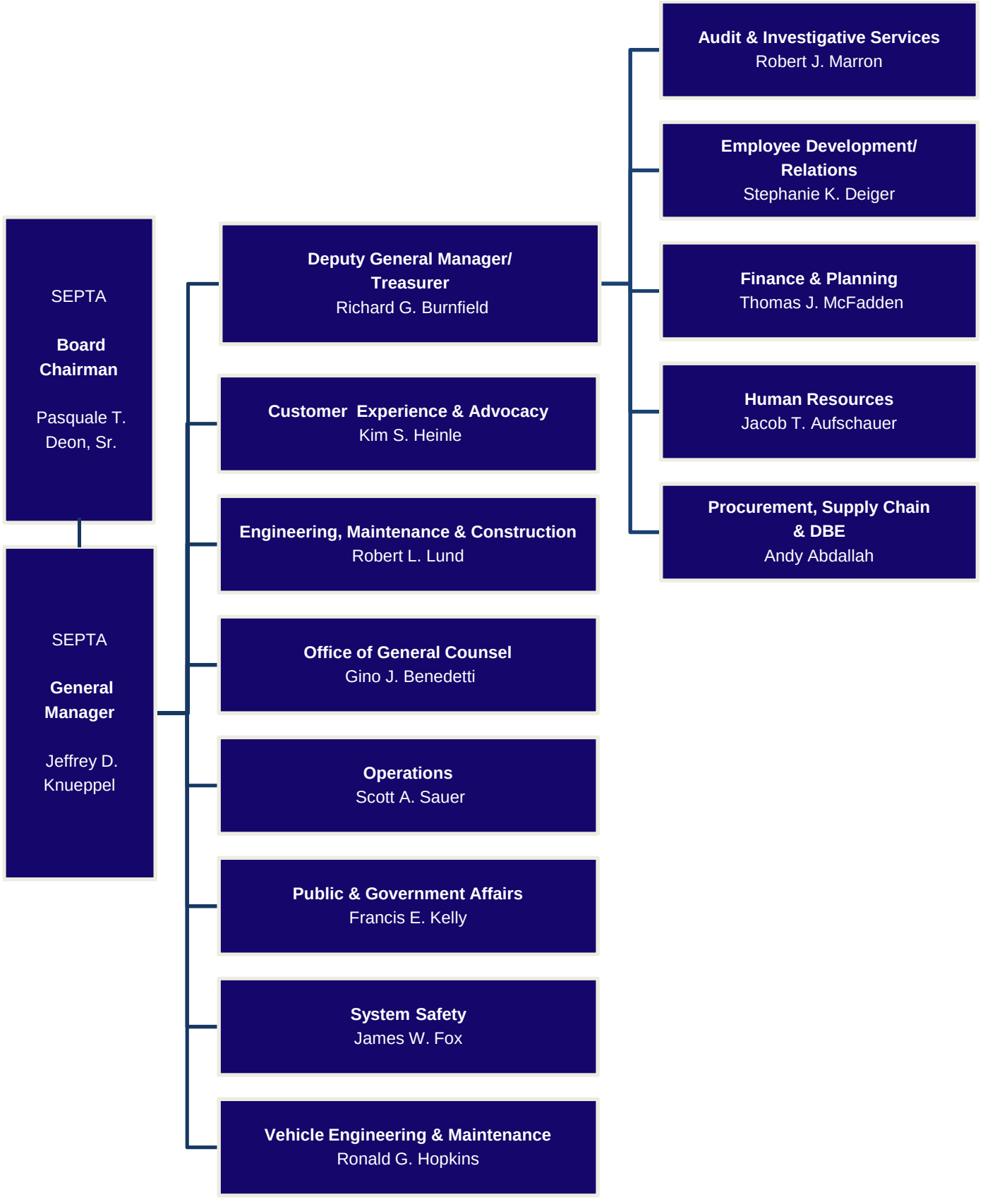
Corporate Staff Board Staff Executive Staff Office of the General Manager Deputy General Manager/Treasurer Admin.	**Audit & Investigative Services** Internal Audit Office of the Inspector General
Communications Communications and Website Management Fulfillment Services Graphic Services Print Services and Sign Shops	**Customer Experience & Advocacy** Administration Customer Development & Advocacy Consumer Market Research & Analysis Customer Service Center
Employee Development/Relations Administration Career Resource Connection EEO/AA and Employee Relations Labor Relations Training and Development	**Engineering, Maintenance & Construction** Administration & Finance Bridges & Buildings Project Compliance Project Control Project Development Real Estate Right of Way Support Services
Finance & Planning Capital Budget and Grant Development Financial Services General Accounting Operating Budget Payroll Revenue, Ridership, Advertising and Sales Service Planning Strategic Planning and Analysis	**Human Resources** Administration Compensation Employee Services Recruitment
Information Technology Emerging and Specialty Technologies Project Services Cyber Security Infrastructure Services Records Management	**Office of Innovation**
New Payment Technologies	**Office of General Counsel** Claims Corporate and Business Operations Video and Evidence Unit Litigation Corporate Litigation Workers' Compensation and Insurance

5. Organizational Structure

OPERATING AND STAFF DEPARTMENTS

Operations Administration and Finance Customized Community Transportation Rail Transportation – Regional Rail Operations Staff Project and Control Center Coordination Rail Transportation – Subway/Elevated Surface Transportation	**Public & Government Affairs** Public Affairs- Administration Media Relations Marketing and Promotions Government and Community Relations
Procurement, Supply Chain & Disadvantaged Business Enterprise (DBE) Administration Contract Administration Disadvantaged Business Enterprise Program Procurement and Supply Chain Management	**Revenue Operations** Administration Revenue Transportation and Collections Revenue Services Revenue Equipment Maintenance Revenue Compliance Railroad Revenue and Parking
System Safety System Safety Construction Safety	**Transit Police** Administration Office of Professional Responsibility Patrol Bureau Special Operations Bureau
Vehicle Engineering & Maintenance Administration Bus Vehicle Engineering Rail Vehicle Engineering Vehicle Equipment Maintenance	

5. Organizational Structure
Corporate Team Organization Chart
(To Assistant General Manager level)



Consolidated
6. Three Year Comparison Fiscal Years 2017-2019

Amounts in thousands ('000)	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 versus FY 2018
REVENUE				
Passenger Revenue	$ 441,401	$ 466,569	$ 470,500	$ 3,931
Shared Ride Program	17,205	16,351	16,725	374
Other Income	35,732	38,749	38,586	(163)
Investment Income	1,939	2,978	2,660	(318)
TOTAL OPERATING REVENUE	**$ 496,277**	**$ 524,647**	**$ 528,471**	**$ 3,824**
EXPENSES				
Labor and Fringe Benefits	$ 970,837	$ 991,411	$ 1,038,640	$ 47,229
Materials and Services	273,170	278,318	298,293	19,975
Injury and Damage Claims	24,017	21,930	28,655	6,725
Propulsion Power	31,567	29,976	31,430	1,454
Fuel	23,937	24,378	29,914	5,536
Vehicle and Facility Rental	9,901	5,297	5,941	644
OPERATING EXPENSE	**$ 1,333,429**	**$ 1,351,310**	**$ 1,432,873**	**$ 81,563**
Depreciation/Contributed Capital	$ 19,644	$ 20,480	$ 20,148	$ (332)
TOTAL EXPENSES	**$ 1,353,073**	**$ 1,371,790**	**$ 1,453,021**	**$ 81,231**
DEFICIT BEFORE SUBSIDY	**$ (856,796)**	**$ (847,143)**	**$ (924,550)**	**$ (77,407)**
OPERATING SUBSIDY				
Federal	$ 81,340	$ 82,493	$ 80,578	$ (1,915)
State	675,829	666,645	735,209	68,564
Local	96,202	94,847	105,197	10,350
Other	3,632	3,602	3,566	(36)
TOTAL SUBSIDY	**$ 857,003**	**$ 847,587**	**$ 924,550**	**$ 76,963**
SURPLUS/(DEFICIT)	**$ 207**	**$ 444**	**$ -**	**$ (444)**

City Transit Division
6. Three Year Comparison Fiscal Years 2017-2019

Amounts in thousands ('000)	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 versus FY 2018
REVENUE				
Passenger Revenue	$ 275,763	$ 291,038	$ 290,770	$ (268)
Shared Ride Program	17,205	16,351	16,725	374
Other Income	21,832	22,395	22,244	(151)
Investment Income	919	1,493	1,315	(178)
TOTAL OPERATING REVENUE	**$ 315,719**	**$ 331,277**	**$ 331,054**	**$ (223)**
EXPENSES				
Labor and Fringe Benefits	$ 664,153	$ 673,521	$ 713,367	$ 39,846
Materials and Services	155,650	143,717	157,595	13,878
Injury and Damage Claims	22,219	16,126	21,940	5,814
Propulsion Power	11,493	11,232	11,600	368
Fuel	18,430	18,806	22,973	4,167
Vehicle and Facility Rental	3,727	3,822	3,632	(190)
OPERATING EXPENSE	**$ 875,672**	**$ 867,224**	**$ 931,107**	**$ 63,883**
Depreciation/Contributed Capital	$ 13,347	$ 13,965	$ 14,756	$ 791
TOTAL EXPENSES	**$ 889,019**	**$ 881,189**	**$ 945,863**	**$ 64,674**
DEFICIT BEFORE SUBSIDY	**$ (573,300)**	**$ (549,912)**	**$ (614,809)**	**$ (64,897)**
OPERATING SUBSIDY				
Federal	$ 27,303	$ 27,092	$ 26,650	$ (442)
State	476,591	456,543	513,042	56,499
Local	68,359	65,363	73,891	8,528
Other	1,166	1,220	1,226	6
TOTAL SUBSIDY	**$ 573,419**	**$ 550,218**	**$ 614,809**	**$ 64,591**
SURPLUS/(DEFICIT)	**$ 119**	**$ 306**	**$ -**	**$ (306)**

Victory Division
6. Three Year Comparison Fiscal Years 2017-2019

Amounts in thousands ('000)	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 versus FY 2018
REVENUE				
Passenger Revenue	$ 22,116	$ 24,566	$ 24,465	$ (101)
Shared Ride Program	-	-	-	-
Other Income	2,269	2,442	2,447	5
Investment Income	45	68	64	(4)
TOTAL OPERATING REVENUE	**$ 24,430**	**$ 27,076**	**$ 26,976**	**$ (100)**
EXPENSES				
Labor and Fringe Benefits	$ 71,110	$ 75,559	$ 73,370	$ (2,189)
Materials and Services	19,250	20,083	20,562	479
Injury and Damage Claims	(529)	866	1,075	209
Propulsion Power	1,218	1,217	1,230	13
Fuel	3,095	3,138	3,729	591
Vehicle and Facility Rental	149	164	172	8
OPERATING EXPENSE	**$ 94,293**	**$ 101,027**	**$ 100,138**	**$ (889)**
Depreciation/Contributed Capital	$ 211	$ 210	$ 220	$ 10
TOTAL EXPENSES	**$ 94,504**	**$ 101,237**	**$ 100,358**	**$ (879)**
DEFICIT BEFORE SUBSIDY	**$ (70,074)**	**$ (74,161)**	**$ (73,382)**	**$ 779**
OPERATING SUBSIDY				
Federal	$ 3,360	$ 3,601	$ 3,207	$ (394)
State	58,054	61,406	61,033	(373)
Local	8,695	9,197	9,142	(55)
Other	-	-	-	-
TOTAL SUBSIDY	**$ 70,109**	**$ 74,204**	**$ 73,382**	**$ (822)**
SURPLUS/(DEFICIT)	**$ 35**	**$ 43**	**$ -**	**$ (43)**

Frontier Division
6. Three Year Comparison Fiscal Years 2017-2019

Amounts in thousands ('000)	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 versus FY 2018
REVENUE				
Passenger Revenue	$ 6,327	$ 6,254	$ 6,585	$ 331
Shared Ride Program	-	-	-	-
Other Income	746	678	761	83
Investment Income	13	20	18	(2)
TOTAL OPERATING REVENUE	**$ 7,086**	**$ 6,952**	**$ 7,364**	**$ 412**
EXPENSES				
Labor and Fringe Benefits	$ 25,708	$ 26,986	$ 27,485	$ 499
Materials and Services	3,868	4,068	4,446	378
Injury and Damage Claims	441	344	420	76
Propulsion Power	-	-	-	-
Fuel	2,015	2,028	2,574	546
Vehicle and Facility Rental	50	55	59	4
OPERATING EXPENSE	**$ 32,082**	**$ 33,481**	**$ 34,984**	**$ 1,503**
Depreciation/Contributed Capital	$ 47	$ 49	$ 51	$ 2
TOTAL EXPENSES	**$ 32,129**	**$ 33,530**	**$ 35,035**	**$ 1,505**
DEFICIT BEFORE SUBSIDY	**$ (25,043)**	**$ (26,578)**	**$ (27,671)**	**$ (1,093)**
OPERATING SUBSIDY				
Federal	$ 1,168	$ 1,267	$ 1,181	$ (86)
State	20,226	21,476	22,482	1,006
Local	3,031	3,218	3,368	150
Other	628	632	640	8
TOTAL SUBSIDY	**$ 25,053**	**$ 26,593**	**$ 27,671**	**$ 1,078**
SURPLUS/(DEFICIT)	**$ 10**	**$ 15**	**$ -**	**$ (15)**

Regional Rail Division
6. Three Year Comparison Fiscal Years 2017-2019

Amounts in thousands ('000)	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2019 versus FY 2018
REVENUE				
Passenger Revenue	$ 137,195	$ 144,711	$ 148,680	$ 3,969
Shared Ride Program	-	-	-	-
Other Income	10,885	13,234	13,134	(100)
Investment Income	962	1,397	1,263	(134)
TOTAL OPERATING REVENUE	**$ 149,042**	**$ 159,342**	**$ 163,077**	**$ 3,735**
EXPENSES				
Labor and Fringe Benefits	$ 209,866	$ 215,345	$ 224,418	$ 9,073
Materials and Services	94,402	110,450	115,690	5,240
Injury and Damage Claims	1,886	4,594	5,220	626
Propulsion Power	18,856	17,527	18,600	1,073
Fuel	397	406	638	232
Vehicle and Facility Rental	5,975	1,256	2,078	822
OPERATING EXPENSE	**$ 331,382**	**$ 349,578**	**$ 366,644**	**$ 17,066**
Depreciation/Contributed Capital	$ 6,039	$ 6,256	$ 5,121	$ (1,135)
TOTAL EXPENSES	**$ 337,421**	**$ 355,834**	**$ 371,765**	**$ 15,931**
DEFICIT BEFORE SUBSIDY	**$ (188,379)**	**$ (196,492)**	**$ (208,688)**	**$ (12,196)**
OPERATING SUBSIDY				
Federal	$ 49,509	$ 50,533	$ 49,540	$ (993)
State	120,958	127,220	138,652	11,432
Local	16,117	17,069	18,796	1,727
Other	1,838	1,750	1,700	(50)
TOTAL SUBSIDY	**$ 188,422**	**$ 196,572**	**$ 208,688**	**$ 12,116**
SURPLUS/(DEFICIT)	**$ 43**	**$ 80**	**$ -**	**$ (80)**

7. Financial Projections Summary of Assumptions

Passenger Revenue Revenue is expected to grow by 1% per year, except in Fiscal Years 2021 and 2024 when scheduled fare increases will take effect.

Shared Ride Revenue This revenue category is forecasted to grow by approximately 1.5% each year over the five-year period.

Other Revenue This other revenue category is expected to increase by 1% annually when compared to the Fiscal Year 2019 budget. Income that is generated primarily from investments, real estate rentals, scrap sales, property damage recoveries, advertising, and parking lot fees are reflected in this category.

Expenses The overall expense growth rate is approximately 3% annually with fringe benefits expected to grow at a slightly higher rate due to the increased cost of healthcare. The other expense categories anticipate third party supplier's price increases.

Subsidy The subsidy categories reflect the anticipated funding levels of the Federal, State, and required local match needed to balance the operating budget in Fiscal Year 2019 and beyond. Due to scheduled fare increases in Fiscal Years 2021 and 2024, the subsidy growth rate is lower in those years as compared to years with no increases.

7. Financial Projections of Consolidated Budget

Amounts in thousands ('000)	Proposal FY 2019	Projection FY 2020	FY 2021 fare increase	FY 2022	FY 2023	FY 2024 fare increase
REVENUE						
Passenger Revenue	$ 470,500	$ 475,205	$ 500,205	$ 505,207	$ 510,259	$ 535,259
Shared Ride Revenue	16,725	16,976	17,231	17,489	17,751	18,018
Other Income	41,246	41,658	42,075	42,496	42,921	43,350
TOTAL OPERATING REVENUE	**$ 528,471**	**$ 533,839**	**$ 559,511**	**$ 565,192**	**$ 570,931**	**$ 596,627**
EXPENSES						
Labor and Fringe Benefits	$ 1,038,640	$ 1,069,940	$ 1,109,134	$ 1,151,353	$ 1,190,495	$ 1,231,327
Materials and Services	298,293	308,300	311,734	314,300	320,530	326,450
Injury and Damage Claims	28,655	29,085	29,520	29,965	30,415	30,870
Propulsion Power	31,430	31,900	32,320	32,700	33,190	33,685
Fuel	29,914	30,510	31,125	31,745	32,380	33,030
Other Expenses (Incl. Depreciation)	26,089	26,875	27,675	28,370	29,075	29,805
TOTAL EXPENSES	**$ 1,453,021**	**$ 1,496,610**	**$ 1,541,508**	**$ 1,588,433**	**$ 1,636,085**	**$ 1,685,167**
DEFICIT BEFORE SUBSIDY	**$ (924,550)**	**$ (962,771)**	**$ (981,997)**	**$ (1,023,241)**	**$ (1,065,154)**	**$ (1,088,540)**
OPERATING SUBSIDY						
Federal	80,578	84,147	84,814	85,576	86,338	86,997
State	735,209	765,369	780,694	815,869	850,409	870,140
Local	105,197	109,655	112,839	118,096	124,657	127,603
Other	3,566	3,600	3,650	3,700	3,750	3,800
TOTAL SUBSIDY	**$ 924,550**	**$ 962,771**	**$ 981,997**	**$ 1,023,241**	**$ 1,065,154**	**$ 1,088,540**
SURPLUS/(DEFICIT)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

8. Annual Service Plan Overview

The Fiscal Year 2019 Annual Service Plan describes service proposals suggested by the general public, government agencies, elected officials and Authority staff, and presents the technical and financial analysis to determine whether the proposals merit implementation. The Plan includes items for two operating divisions – City Transit and Suburban Transit. There are no proposals for the Regional Rail Division.

Listed below are the projects that were presented at public hearings for the SEPTA FY 2019 Annual Service Plan:

City Transit Operations

- Route 49 – New experimental north-south bus route from Brewerytown and Fairmount to Grays Ferry via University City.
- Route 80 – Minor changes to streamline the routing in the Horsham Business Center and to reduce travel time on the express portion en route to Olney Transportation Center.
- Route 88 – An extension of all Pennypack Woods trips to an off street loop near Frankford and Linden Avenues, creating a customer connection to transit on Frankford Avenue and an improved recovery location for bus operators.

Suburban Transit Operations

- Routes 204, 205 and 206 - Uptown Worthington would be served on all trips by Route 204, as part of the base route. Route 205 would be discontinued in its entirety, with portions of the current route between Paoli Hospital and Swedesford Road added to a reconfigured Route 206. Route 206 would no longer serve Uptown Worthington, with service replaced by Route 204.

Proposed Amendments to SEPTA Service Standards and Process

- None were proposed.

Board Adoption

The Hearing Examiner recommended that the Fiscal Year 2019 Annual Service Plan and the associated tariffs be adopted. The SEPTA Board adopted the Plan at the June 2018 Board meeting. Route 49 was approved for an experimental period of one year.

The Fiscal Year 2019 Annual Service Plan does not include any major reductions in service levels or significant diminishment of transit service.

8. Revenue Assumptions By Category

SEPTA receives revenue from several different sources. These can generally be categorized as revenues derived from operations and those obtained from government grants. Government operating assistance grants are classified as Operating Subsidy and discussed in the Operating Subsidy Section of this document. Operating Revenue is comprised of four major elements: passenger revenue, shared ride, other income, and investment income.

Passenger Revenue

The Fiscal Year 2019 Operating Budget for passenger revenue is $470.5 million and assumes approximately a 1% growth in revenue. Fiscal Year 2018 included a scheduled fare increase effective July 1, 2017.

Shared Ride Program

SEPTA assumed responsibility for the operation of the state funded Shared Ride Program in the City of Philadelphia during Fiscal Year 1993. This year, revenue is budgeted at $16.7 million or 2.3% higher than the FY 2018 actual results. The program is funded through the State Lottery, funds from the Philadelphia Corporation for the Aging, and Shared Ride fares. In Fiscal Year 2019, the Authority projects a total of 642,000 Shared Ride trips.

Other Income

Other income includes real estate rental income, parking lot fees, advertising income, and income from the sale of scrap material. Total projected revenue for this category is $38.6 million.

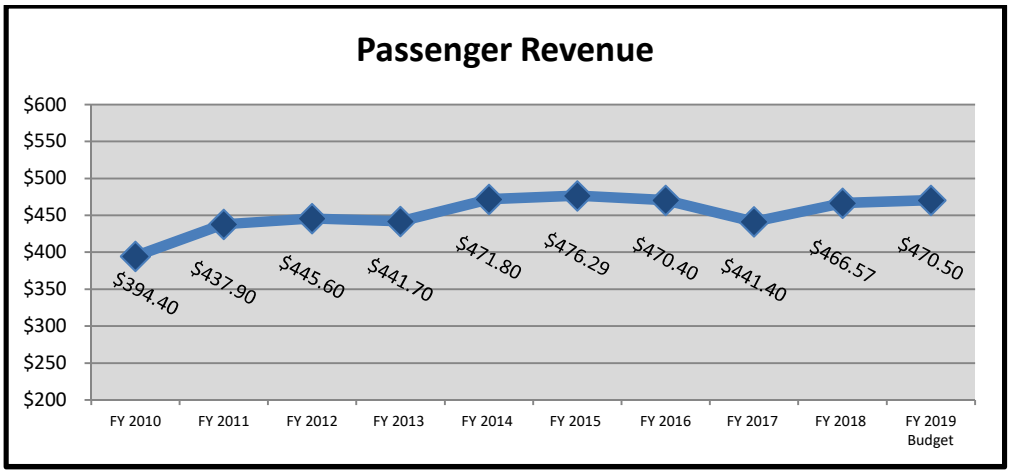
Investment Income

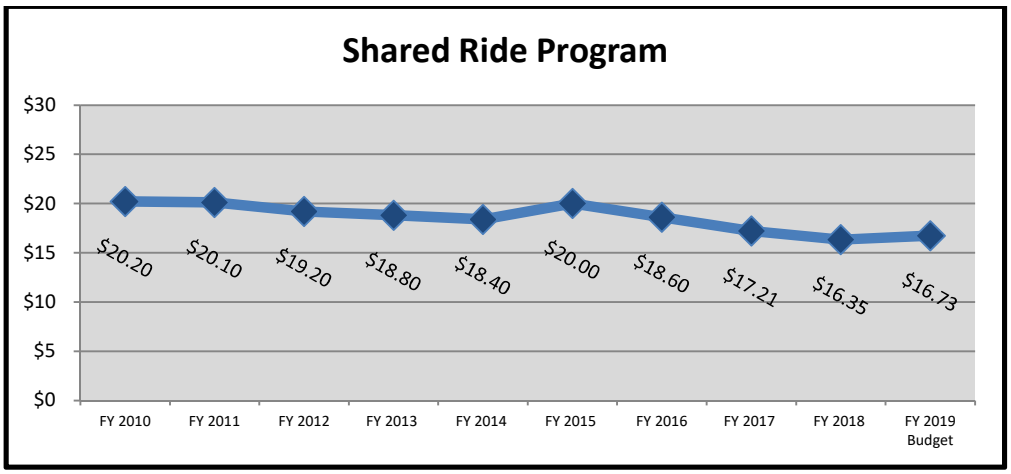
Investment income is budgeted at $2.7 million for Fiscal Year 2019. Investment income results are correlated directly to financial market conditions and projected fund balances.

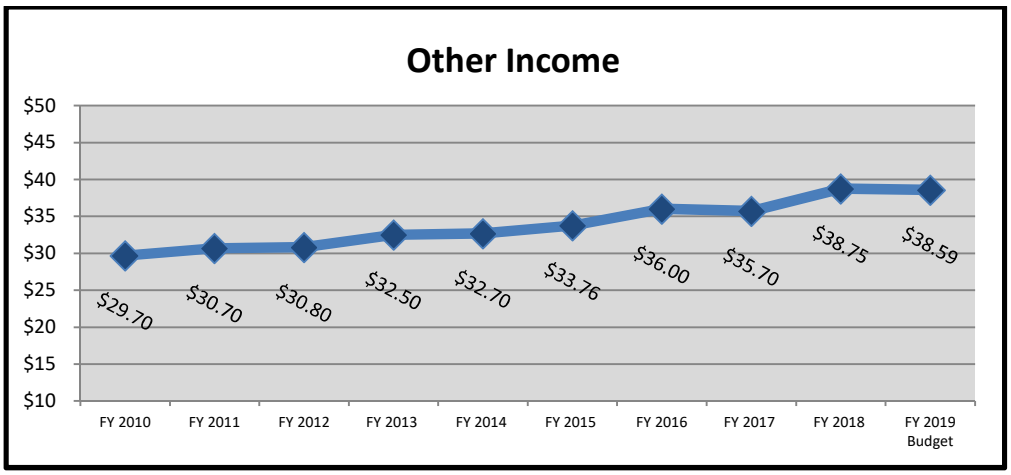
8. Ten Year Revenue Trends

The Authority analyzes a number of factors that affect the Operating Revenue budget. This includes an examination of national, state, and local demographic, economic, travel, and development trends. In addition, SEPTA evaluates current and projected service levels and other factors affecting ridership and revenue levels. Finally, the Authority considers historical trends in major revenue categories, as illustrated in the following charts:

Amounts in Millions



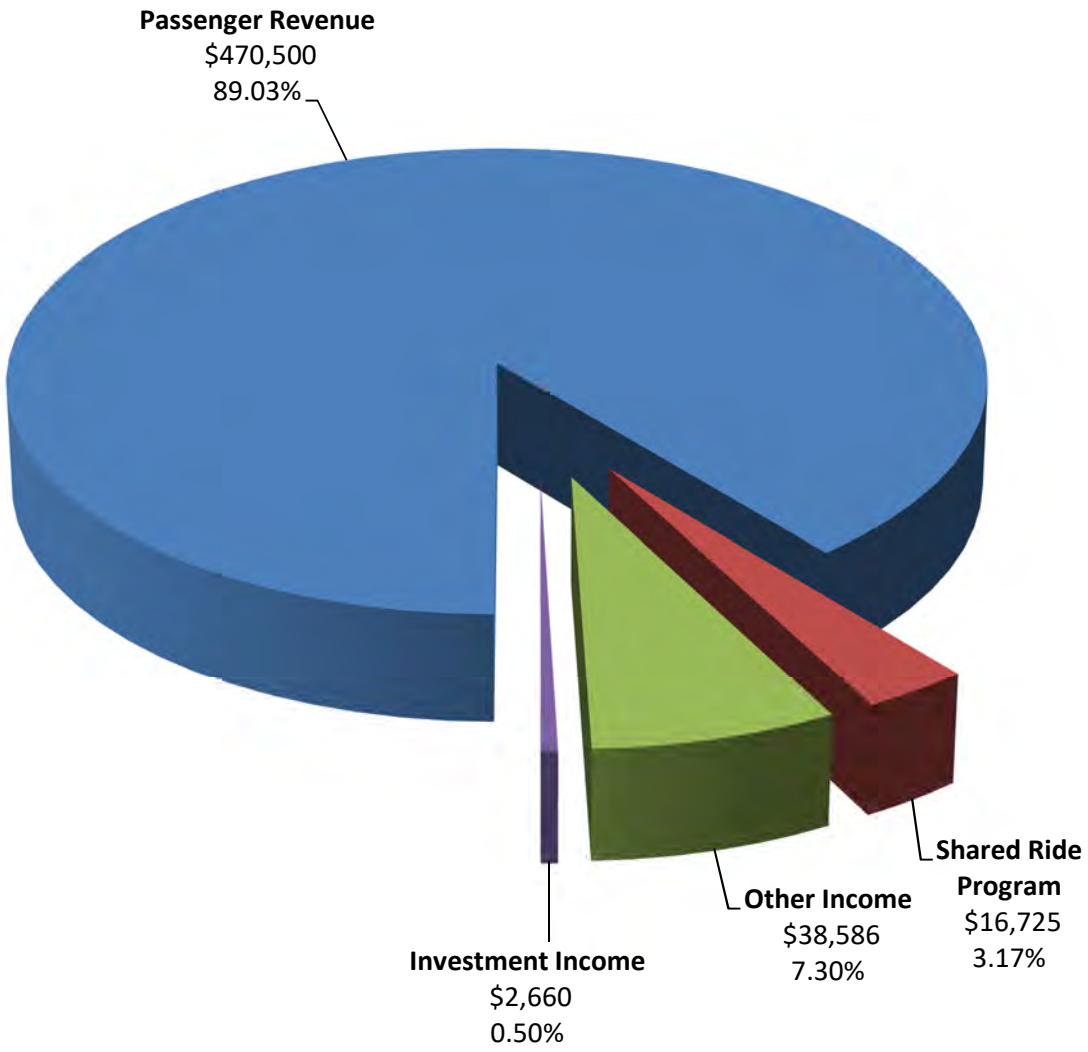




8. Summary of Operating Revenue

TOTAL OPERATING REVENUE = $528,471

In Thousands



9. Subsidy Allocation & Detail

Introduction

Total subsidies in the Fiscal Year 2019 Operating Budget represent $924.6 million and include the following categories: Federal, State, Local, and Other.

Assumptions

Federal

The Federal Government's role in providing operating assistance has steadily declined. In Fiscal Year 1980, Federal Subsidy covered 18.8% of SEPTA's operating expenses. For Fiscal Year 2019, the total Federal Subsidy of $80.6 million covers only 5.5% of the total budgeted operating expense. The source of this subsidy is Federal Preventive Maintenance funds in the amount of $36.8 million, Federal Capital Lease Subsidy in the amount of $37.6 million, and Federal Capital Debt Service Subsidy of $6.2 million.

State

On July 18, 2007, Act 44 of 2007 was signed into law by former Pennsylvania Governor Ed Rendell, and was intended to provide a long term funding solution for public transportation agencies throughout the Commonwealth of Pennsylvania. This legislation created the Pennsylvania Public Transportation Trust Fund (PTTF) which provides SEPTA and public transportation providers throughout the Commonwealth with dedicated annual funding for operating expenses. The Trust Fund is funded by 4.4% of state sales tax receipts and the proceeds from bonds issued by the Pennsylvania Turnpike Commission.

In November of 2013, the State Legislature passed Act 89. This legislation significantly increased funding for SEPTA's Capital Program, allowing SEPTA to address its backlog of unfunded capital projects.

SEPTA and other Pennsylvania transit agencies are allocated state funds as determined by the following formula:

State Allocation Formula

Allocation Category	Allocation Percent
Number of Passengers	**25%**
Number of Senior Citizen Passengers	**10%**
Revenue Vehicle Hours	**35%**
Revenue Vehicle Miles	**30%**
Total	**100%**

Operating assistance is provided through Section 1513 of the Trust Fund. In addition, the Commonwealth of Pennsylvania provides state funds for capital lease costs and debt service. SEPTA's debt service expenses and some lease costs are funded through the Capital Program of the Pennsylvania Public Transportation Trust Fund. The remaining leases are funded through Federal Capital Lease Subsidy and Federal Capital Debt Service Subsidy.

9. Subsidy Allocation & Detail

Local

The local operating subsidy amount is budgeted at the level of 15% of the operating assistance portion (Section 1513) of the Trust Fund grant. This is a requirement for SEPTA to receive its full allocation from this state grant. The local subsidy requirement for each of SEPTA's funded divisions (City Transit, Victory, Frontier, and Regional Rail) is determined by the relative deficits before subsidy in each division as adjusted for Route Guarantees and Lease and Debt Service payments.

Within each funded division, the percentage of the local subsidy required from each county is shown in the table below:

Local Operating Subsidy by County

	City Transit	Victory	Frontier	Regional Rail
Bucks	0.27%	0.00%	37.00%	5.90%
Chester	0.00%	2.00%	17.00%	4.30%
Delaware	0.00%	86.00%	0.00%	8.80%
Montgomery	0.25%	12.00%	46.00%	11.00%
Philadelphia	99.48%	0.00%	0.00%	70.00%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

The operating budget also makes an allowance within the standard formula, shown on the previous page, to properly accommodate the four county utilization of SEPTA's Suburban Paratransit Service operated from the Victory Division. A usage-based allocation formula has been established within the Victory Division for suburban county ADA service. Each suburban county is billed based on the actual ADA Paratransit service used. The prospective utilization for Fiscal Year 2019 is as follows:

Suburban Paratransit Usage by County

Bucks	15%
Chester	9%
Delaware	43%
Montgomery	33%
Total	**100%**

The City of Philadelphia also provides local match for the ADA Paratransit services as part of the City Transit Division match formula.

Route Guarantee

Route Guarantee Subsidies are payments made under separate agreements between SEPTA and various local entities to fully fund the deficits generated by service extensions implemented by specific request. The Fiscal Year 2019 Route Guarantee Subsidy in the City Transit Division includes a University City partnership between Penn Health Systems, the University of the Sciences, and Children's Hospital, which continues the "LUCY" (Loop through University City) circulator.

In the Frontier Division, the Bucks County Transit Improvement Project (TIP) was implemented in Fiscal Year 2001. It represented the restructuring of six routes with funding provided through a separate agreement with the county. Routes 127, 128, 129, and 130 are guaranteed under this agreement.

An agreement with the Delaware Transit Corporation provides for regional rail service to Wilmington and Newark, Delaware as an extension of the Wilmington/Newark Line.

9. Service Stabilization Fund

Prior to passage of Act 44 in July 2007, former Pennsylvania Governor Ed Rendell established the Transportation Funding and Reform Commission. The Commission identified future operating and capital funding needs for highways and transit. Act 44 represented a major milestone for transit funding in the Commonwealth of Pennsylvania. The intent of this legislation was to create a long term funding source which was stable, predictable, and with growth potential.

Until Act 44 passed, the majority of state operating subsidies were subject to the annual budget appropriations process. During the decade prior to Act 44, growth in operating subsidies was very limited. SEPTA, along with all public transit agencies in the Commonwealth, experienced very difficult challenges in balancing their operating budgets. In a number of years, SEPTA proposed significant fare increases and severe service reductions as initial measures to balance the Authority's budget. These drastic measures were frequently diffused by eleventh hour, one-time actions.

The Act 44 and Act 89 funding programs are intended to provide a long-term funding solution. It is critically important for SEPTA to be prudent with the use of these subsidy funds to ensure that this objective is achieved. The Service Stabilization Fund is necessary to: 1) ensure long-term fiscal stability for SEPTA's operating budget; 2) prevent a future budget crisis; and 3) maintain service levels. Based on future projected growth in state funding and the projected growth in SEPTA's operating expenses and revenues, there will be fiscal years in which the growth in expenses will exceed the growth in state funding. In those years, the Service Stabilization Fund will be used to balance the operating budget avoiding substantial fare increases and/or service cuts.

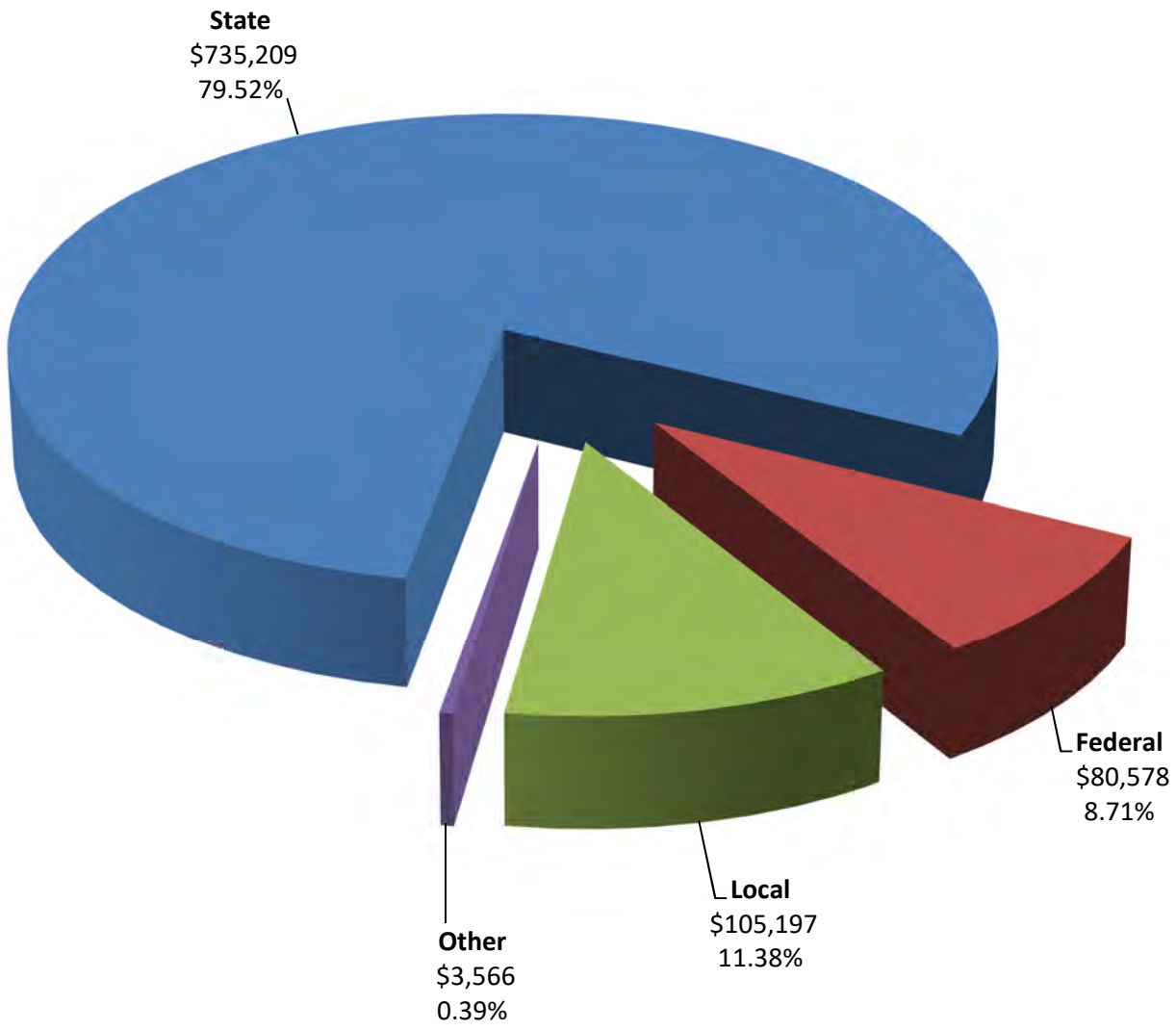
9. Detail of Subsidies

	Amounts in thousands ('000)				
	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Federal					
Preventive Maintenance	$ 26,076	$ 3,189	$ 1,176	$ 6,359	$ 36,800
Capital Lease Subsidy	-	-	-	37,600	37,600
Debt Service Subsidy	574	18	5	5,581	6,178
Subtotal Federal	**$ 26,650**	**$ 3,207**	**$ 1,181**	**$ 49,540**	**$ 80,578**
State					
Operating Subsidy - (Section 1513)	$ 486,521	$ 60,919	$ 22,453	$ 121,439	$ 691,332
Lease Cost Subsidy - (Section 1514)	954	85	28	212	1,279
Debt Service Subsidy - (Section 1514)	25,427	24	-	6,555	32,006
Match - Capital Lease Subsidy - (Section 1514)	-	-	-	9,097	9,097
Match - Capital Debt Service Subsidy- (Section 1514)	140	5	1	1,349	1,495
Subtotal State	**$ 513,042**	**$ 61,033**	**$ 22,482**	**$ 138,652**	**$ 735,209**
Local (Please see subsequent pages for Detail by County)	**$ 73,891**	**$ 9,142**	**$ 3,368**	**$ 18,796**	**$ 105,197**
Other - Route Guarantees	**$ 1,226**	**$ -**	**$ 640**	**$ 1,700**	**$ 3,566**
TOTAL SUBSIDY	**$ 614,809**	**$ 73,382**	**$ 27,671**	**$ 208,688**	**$ 924,550**

9. Summary of Operating Subsidies

TOTAL SUBSIDIES = $924,550

In Thousands

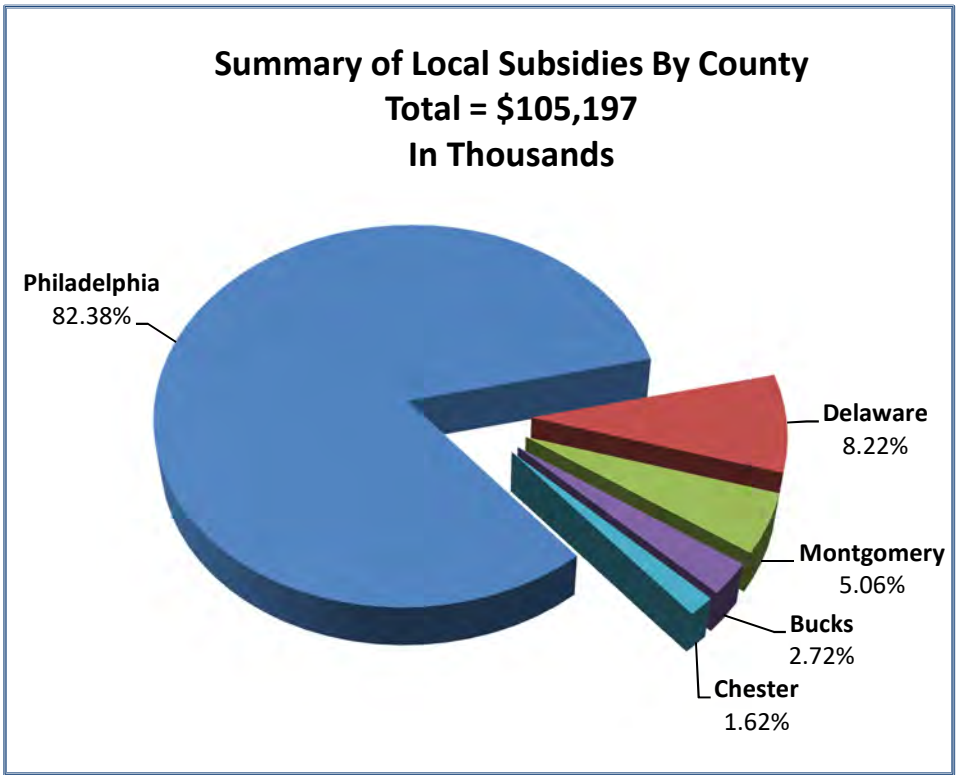


9. Detail of Local Subsidies & Other by County

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Base PA Trust Fund Local Match					
Bucks	$ 196	$ -	$ 1,246	$ 1,074	$ 2,516
Chester	-	144	572	783	1,499
Delaware	-	6,124	-	1,603	7,727
Montgomery	183	855	1,549	2,004	4,591
Philadelphia	72,598	-	-	12,752	85,350
Subtotal	**$ 72,977**	**$ 7,123**	**$ 3,367**	**$ 18,216**	**$ 101,683**
Suburban Paratransit Local Match					
Bucks	$ -	$ 302	$ -	$ -	$ 302
Chester	-	181	-	-	181
Delaware	-	868	-	-	868
Montgomery	-	665	-	-	665
Philadelphia	-	-	-	-	-
Subtotal	**$ -**	**$ 2,016**	**$ -**	**$ -**	**$ 2,016**
Total Trust Fund Local Subsidy					
Bucks	$ 196	$ 302	$ 1,246	$ 1,074	$ 2,818
Chester	-	$ 325	$ 572	$ 783	1,680
Delaware	-	$ 6,992	$ -	$ 1,603	8,595
Montgomery	$ 183	$ 1,520	$ 1,549	$ 2,004	5,256
Philadelphia	$ 72,598	$ -	$ -	$ 12,752	85,350
Total Trust Fund Local Subsidy	**$ 72,977**	**$ 9,139**	**$ 3,367**	**$ 18,216**	**$ 103,699**
Local Debt Service Subsidy					
Bucks	$ 2	$ -	$ -	$ 16	$ 18
Chester	-	-	-	12	12
Delaware	-	-	-	24	24
Montgomery	2	-	-	30	32
Philadelphia	877	-	-	189	1,066
Subtotal	**$ 881**	**$ -**	**$ -**	**$ 271**	**$ 1,152**
Local Lease Cost Subsidy					
Bucks	$ -	$ -	$ -	$ 18	$ 18
Chester	-	-	-	13	13
Delaware	-	3	-	27	30
Montgomery	-	-	1	34	35
Philadelphia	33	-	-	217	250
Subtotal	**$ 33**	**$ 3**	**$ 1**	**$ 309**	**$ 346**
Total Debt Service and Lease Subsidy	**$ 914**	**$ 3**	**$ 1**	**$ 580**	**$ 1,498**
Total Local Subsidy Required	**$ 73,891**	**$ 9,142**	**$ 3,368**	**$ 18,796**	**$ 105,197**
Total Other Route Guarantees	**$ 1,226**	**$ -**	**$ 640**	**$ 1,700**	**$ 3,566**

9. Summary of Local Subsidies by County

Amounts in thousands ('000)	City Transit	Victory	Frontier	Regional Rail	Total SEPTA
Total Local Subsidy					
Bucks	$ 198	$ 302	$ 1,246	$ 1,108	$ 2,854
Chester	-	325	572	808	1,705
Delaware	-	6,995	-	1,654	8,649
Montgomery	185	1,520	1,550	2,068	5,323
Philadelphia	73,508	-	-	13,158	86,666
Total Local Subsidy	**$ 73,891**	**$ 9,142**	**$ 3,368**	**$ 18,796**	**$ 105,197**



The total local subsidy required for the Fiscal 2019 Operating Budget is comprised of the following:

Total Trust Fund Local Subsidy (15% Match of Section 1513)	$ 103,699
Debt Service Subsidy Local Match	1,152
Lease Cost Subsidy Local Match	346
Total Local Subsidy Required	**$ 105,197**

10. Expense Assumptions By Category

LABOR & FRINGE BENEFITS

The Fiscal Year 2019 labor and fringe growth reflects pattern labor wage increases and benefit expenses as a result of negotiated labor agreements.

SEPTA's net labor cost includes a credit for labor expense from the operating to the capital budget for costs associated with capital projects.

MATERIAL & SERVICES

Material & Services includes replacement parts for fleet and infrastructure inventory as well as various services including utilities, contract repairs, snow removal, Amtrak trackage rights, and paratransit contract services.

The Fiscal Year 2019 budget assumes increased consumption of parts and higher third party contract service costs.

SEPTA experienced an expense increase for Amtrak trackage access and costs with the implementation of PRIIA (Passenger Rail Investment and Improvement Act of 2008), effective October 2015. Through this Federal Act, Congress mandated that a standardized methodology be developed to allocate costs among Northeast Corridor (NEC) owners and operators that ensure each agency take full financial responsibility for its use of shared NEC infrastructure and related facilities.

INJURY & DAMAGE CLAIMS

Claims expense includes self-insured payouts, insurance premiums, and reserve adjustments. Fiscal year 2018 results included a favorable $2.2 million reserve adjustment and a 21% reduction in claim payouts versus Fiscal Year 2017. The Fiscal Year 2019 budget provides for normalized claim payouts and a slight inflationary increase in insurance premiums and the reserve.

PROPULSION POWER

Revenue vehicle propulsion power expense is calculated based on estimated kilowatt-hour usage and rates, both of which are expected to be slightly higher in Fiscal Year 2019.

FUEL

Fuel expense is based on budgeted miles of revenue vehicle operation, miles per gallon fuel economy, and estimated fuel rates. The Fiscal Year 2019 budget reflects an assumed increase in the cost of fuel that is partially offset by lower fuel consumption due to better fuel economy as additional hybrid and electric buses are entered into service.

10. Expense Assumptions By Category

RENTAL EXPENSE

Rental expense covers all operating lease rentals for fixed facilities and short-term vehicle and equipment leases. The Fiscal Year 2019 budget reflects higher anticipated vehicle lease costs.

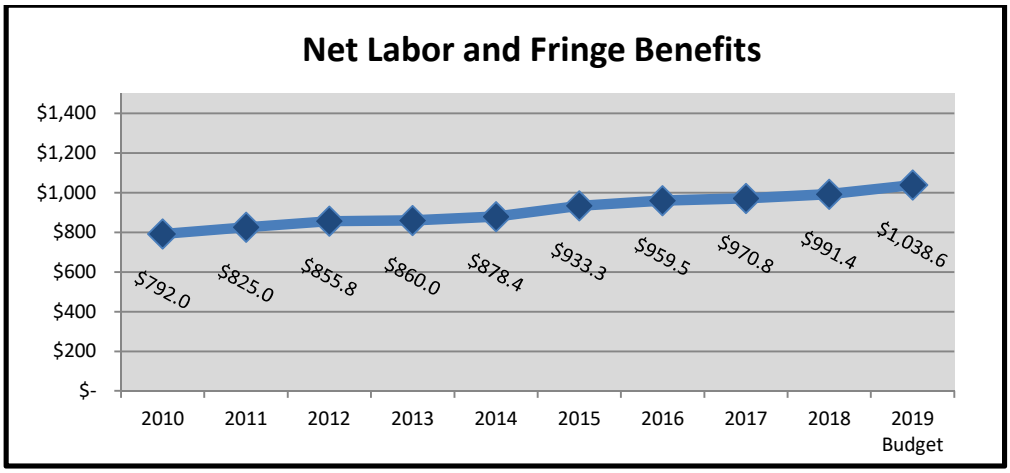
DEPRECIATION

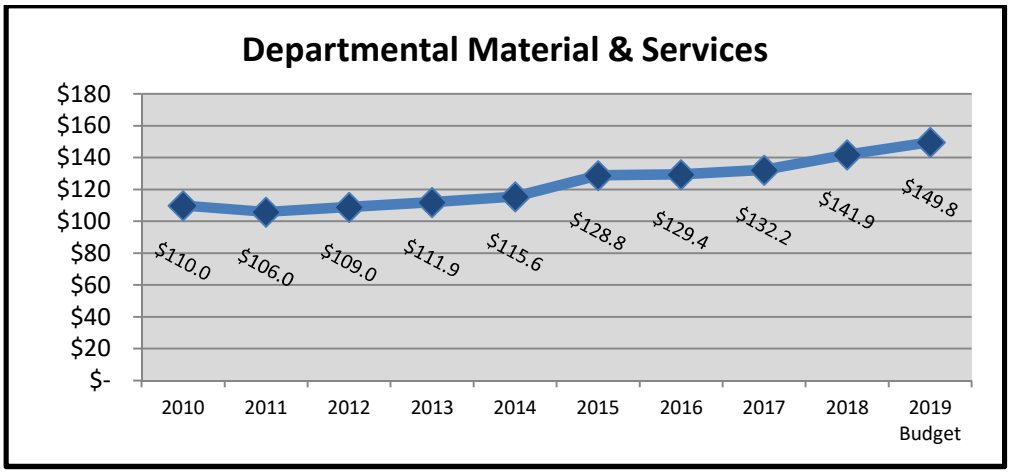
Depreciation expense is the amortization of the cost of the Authority's fixed assets over their estimated useful lives net of the amortization of contributed capital. The net decrease in Fiscal Year 2019 is primarily due to a certain portion of the railcar fleet being fully depreciated.

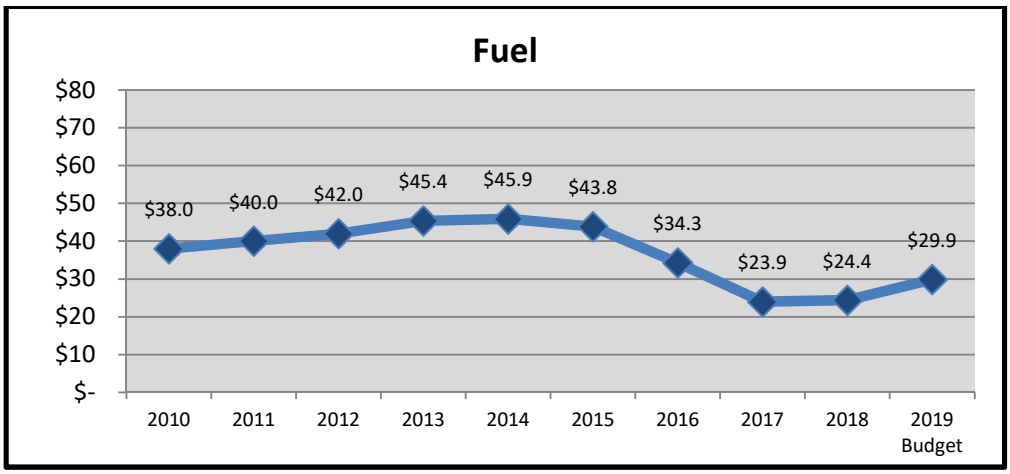
10. Ten Year Expense Trends

In developing the Operating Budget, the Authority considers issues that affect both the individual area of expense, as well as national, state, and local economic conditions. In addition, SEPTA focuses on historical trends in major expense categories, as illustrated in the following charts:

Amounts in Millions



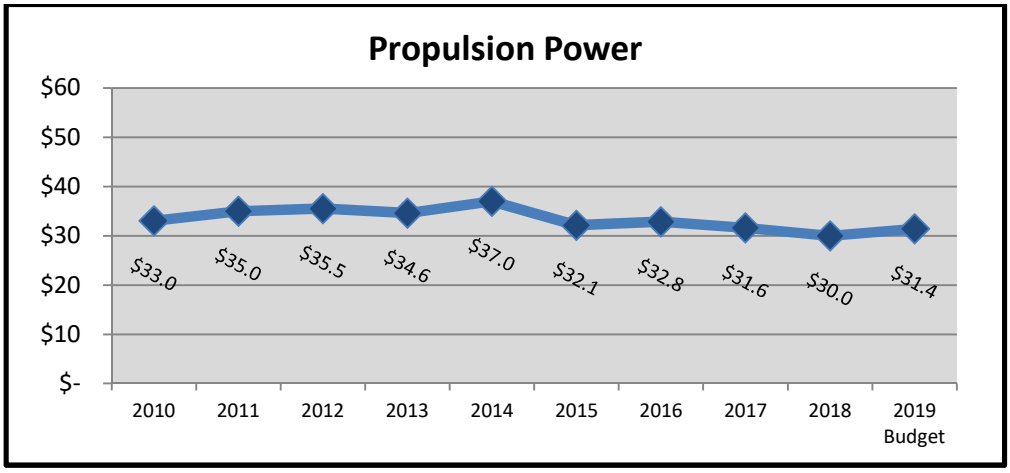


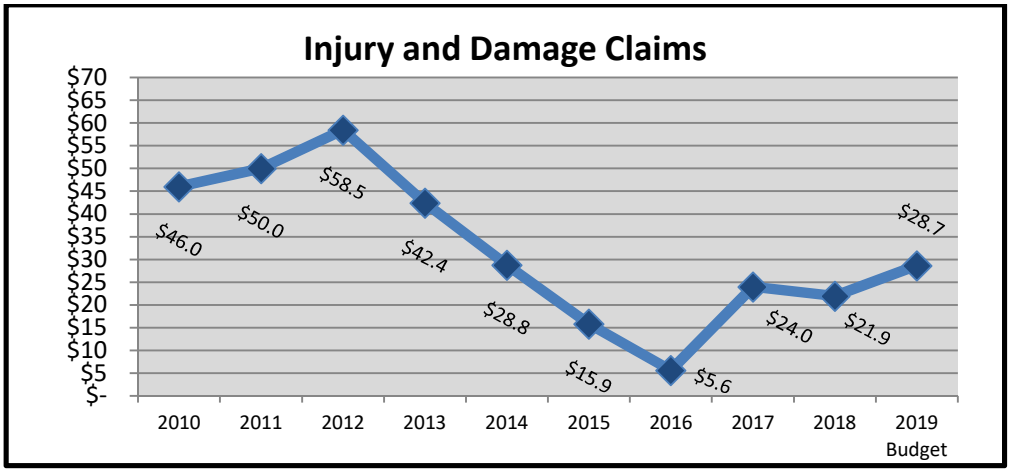


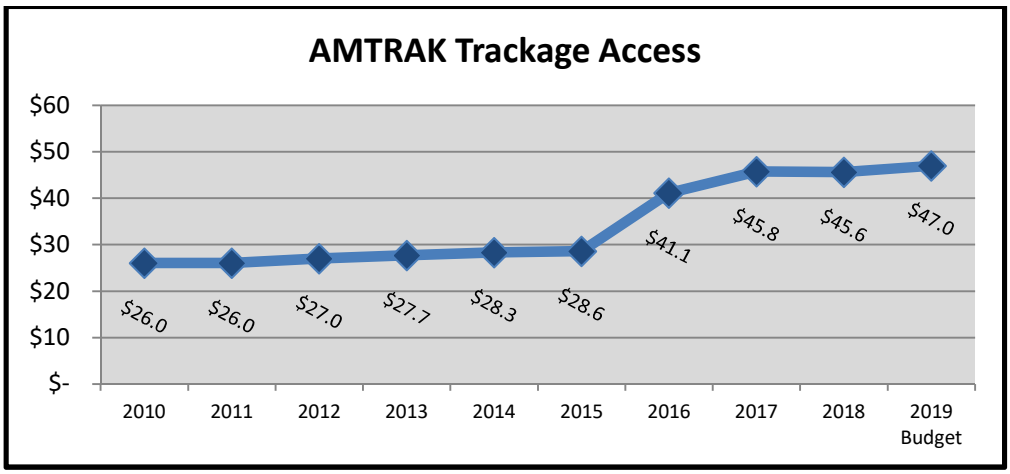
Note: Decrease in FY 2015-2017 is due to lower fuel prices which began to increase in FY 2018.

10. Ten Year Expense Trends

Amounts in Millions





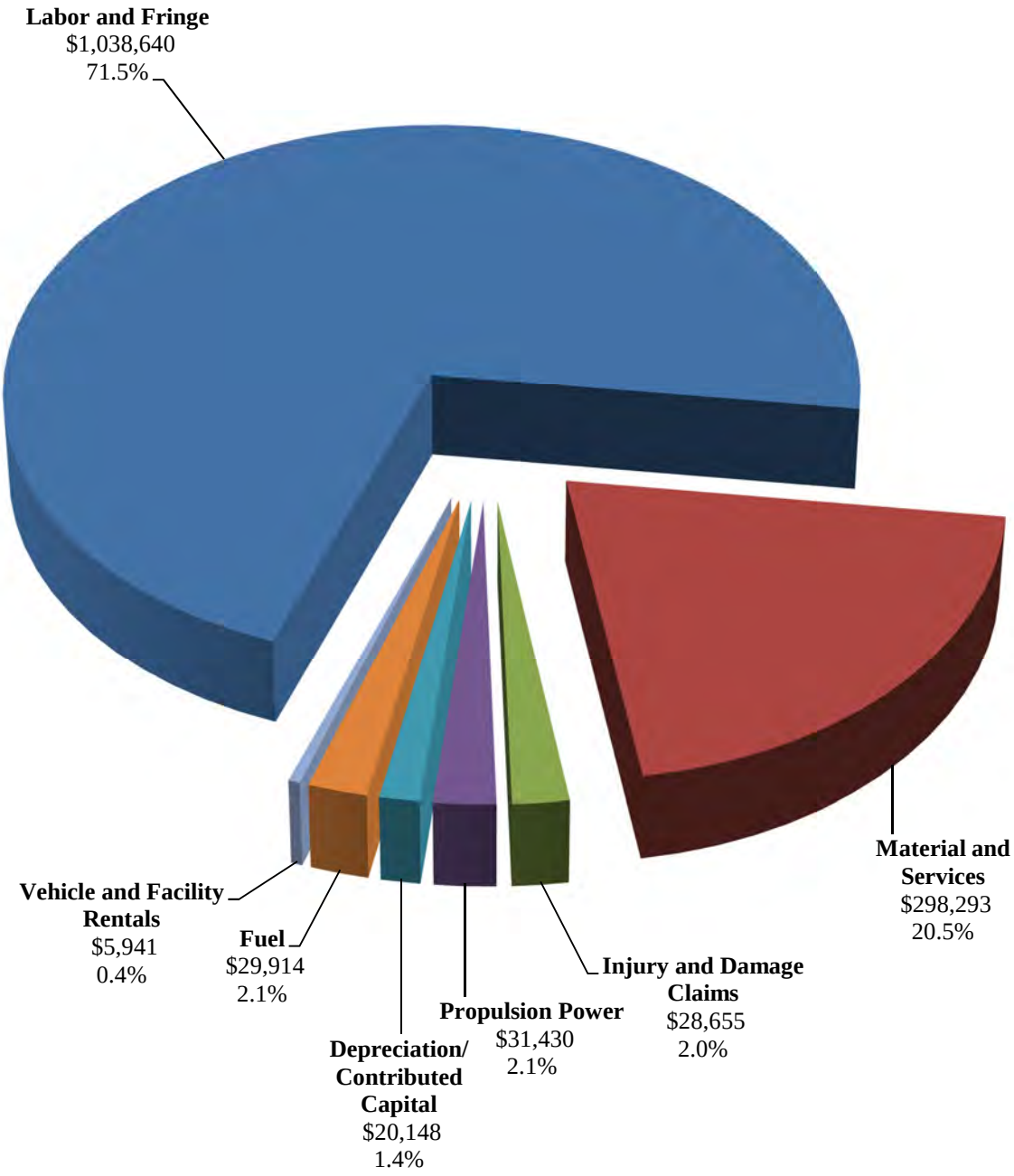


Note: (1) Injury and Damage Claims decreased dramatically in FY 2013-2016 due to the installation of cameras on vehicles and select stations.

(2) AMTRAK expense increase due to implementation of Passenger Railroad Investment and Improvement Act (PRIIA), effective October 2015.

TOTAL OPERATING EXPENSES = $1,453,021

In Thousands



10. FY 2019 Budget Detail of Expenses In 000's

Division/Departmental Expenses	Labor & Fringe	Material & Services	Total
OPERATIONS			
Administration and Finance	$ 307	$ 271	$ 578
Project & Control Center Coordination	1,190	289	1,479
Customized Community Transportation	8,594	6,490	15,084
Operations Staff	899	10	909
Rail Transportation-Subway-Elevated	53,205	1,136	54,341
Rail Transportation - Regional Rail	73,492	6,331	79,823
Surface Transportation	220,400	624	221,024
Total Operations	**$ 358,087**	**$ 15,151**	**$ 373,238**
Vehicle Engineering & Maintenance	**$ 119,401**	**$ 55,091**	**$ 174,492**
Engineering, Maintenance & Construction	**$ 78,771**	**$ 26,551**	**$ 105,322**
Transit Police	**$ 21,050**	**$ 1,137**	**$ 22,187**
STAFF DEPARTMENTS			
Audit and Investigative Services	$ 1,638	$ 52	1,690
Corporate Staff	2,826	197	3,023
Communications	1,264	876	2,140
Customer Experience and Advocacy	5,468	458	5,926
Deputy General Manager/Treasurer Administration	1,431	20	1,451
Employee Development/Relations	10,999	1,016	12,015
Finance and Planning	11,741	6,722	18,463
Human Resources	4,148	638	4,786
Information Technology	6,006	5,837	11,843
New Payment Technologies	119	2,501	2,620
Revenue Operations	13,374	17,299	30,673
Office of Innovation	338	580	918
Office of General Counsel	8,685	15,336	24,021
Procurement, Supply Chain & DBE	9,964	339	10,303
Public and Government Affairs	1,646	4,868	6,514
System Safety	1,984	1,072	3,056
Total Staff Departments	**$ 81,631**	**$ 57,811**	**$ 139,442**
Capital Allocation	(6,305)	(5,940)	(12,245)
Total Departmental Expenses	**$ 652,635**	**$ 149,801**	**$ 802,436**
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	$ 386,005	$ -	386,005
Amtrak	-	47,000	47,000
CCT - ADA Services	-	33,790	33,790
CCT - Shared Ride Program	-	22,110	22,110
Debt Service Interest and Fees	-	13,532	13,532
Property Insurance/Other Claims Payouts, Net	-	3,516	3,516
Services for Headquarters' Building	-	5,240	5,240
Snow Removal and Other Weather Related Expenses	-	5,850	5,850
Utilities	-	19,432	19,432
Capitalized Costs and Other	-	(1,979)	(1,979)
Total Non-Departmental Expenses	**$ 386,005**	**$ 148,491**	**$ 534,496**
OTHER OPERATING EXPENSES			
Injury and Damage Claims	$ -	$ 28,655	28,655
Propulsion Power	-	31,430	31,430
Fuel	-	29,914	29,914
Vehicle and Facility Rentals	-	5,941	5,941
Depreciation/Contributed Capital	-	20,149	20,149
Total Other Expenses	**$ -**	**$ 116,089**	**$ 116,089**
TOTAL EXPENSES	**$ 1,038,640**	**$ 414,381**	**$ 1,453,021**

10. FY 2019 Budget Allocation By Company In 000's

Division/Departmental Expenses	1100	2100	2200	2300	3100	Total
OPERATIONS						
Administration and Finance	$ 578	$ -	$ -	$ -	$ -	$ 578
Project & Control Center Coordination	516	219	-	-	744	1,479
Customized Community Transportation	12,639	1,238	-	1,207	-	15,084
Operations Staff	748	-	-	-	161	909
Rail Transportation-Subway-Elevated	-	54,277	-	-	64	54,341
Rail Transportation - Regional Rail	-	77	-	-	79,746	79,823
Surface Transportation	115	177,870	29,993	13,044	2	221,024
Total Operations	**$ 14,596**	**$ 233,681**	**$ 29,993**	**$ 14,251**	**$ 80,717**	**$ 373,238**
Vehicle Engineering & Maintenance	**$ 669**	**$ 120,464**	**$ 11,461**	**$ 5,472**	**$ 36,426**	**$ 174,492**
Engineering, Maintenance & Construction	**$ 4,040**	**$ 64,664**	**$ 6,146**	**$ -**	**$ 30,472**	**$ 105,322**
Transit Police	**$ 22,187**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 22,187**
STAFF DEPARTMENTS						
Audit and Investigative Services	$ 1,690	$ -	$ -	$ -	$ -	$ 1,690
Corporate Staff	3,023	-	-	-	-	3,023
Communications	1,952	58	-	-	130	2,140
Customer Experience and Advocacy	5,924	-	-	-	2	5,926
Deputy General Manager/Treasurer Administration	1,451	-	-	-	-	1,451
Employee Development/Relations	5,156	3,779	427	136	2,517	12,015
Finance and Planning	17,639	350	-	-	474	18,463
Human Resources	4,786	-	-	-	-	4,786
Information Technology	11,843	-	-	-	-	11,843
New Payment Technologies	2,620	-	-	-	-	2,620
Revenue Operations	13,751	5	-	-	16,917	30,673
Office of Innovation	918	-	-	-	-	918
Office of General Counsel	14,275	6,332	145	199	3,070	24,021
Procurement, Supply Chain & DBE	8,867	358	-	-	1,078	10,303
Public and Government Affairs	6,514	-	-	-	-	6,514
System Safety	3,055	-	-	-	1	3,056
Total Staff Departments	**$ 103,464**	**$ 10,882**	**$ 572**	**$ 335**	**$ 24,189**	**$ 139,442**
Capital Allocation	(6,306)	(3,632)	(172)	(59)	(2,076)	(12,245)
Headquarters Allocation	(138,650)	102,643	9,234	3,133	23,640	-
Total Departmental Expenses	**$ -**	**$ 528,702**	**$ 57,234**	**$ 23,132**	**$ 193,368**	**$ 802,436**
NON-DEPARTMENTAL EXPENSES						
Fringe Benefits	$ 58,005	$ 230,529	$ 20,252	$ 7,072	$ 70,147	$ 386,005
Amtrak	-	-	-	-	47,000	47,000
CCT - ADA Services	-	22,779	11,011	-	-	33,790
CCT - Shared Ride Program	-	22,110	-	-	-	22,110
Debt Service Interest and Fees	3,951	4,217	37	10	5,317	13,532
Property Insurance/Other Claims Payouts, Net	1,136	1,556	173	43	608	3,516
Services for Headquarters' Building	5,240	-	-	-	-	5,240
Snow Removal and Other Weather Related Expenses	-	-	-	-	5,850	5,850
Utilities		12,587	1,079	266	5,500	19,432
Capitalized Costs and Other		(2,106)	(406)	(135)	668	(1,979)
Headquarters Allocation	(68,332)	50,587	4,551	1,544	11,650	-
Total Non-Departmental Expenses	**$ -**	**$ 342,259**	**$ 36,697**	**$ 8,800**	**$ 146,740**	**$ 534,496**
OTHER OPERATING EXPENSES						
Injury and Damage Claims	$ -	$ 21,940	$ 1,075	$ 420	$ 5,220	28,655
Propulsion Power	-	11,600	1,230	-	18,600	31,430
Fuel	-	22,974	3,729	2,573	638	29,914
Vehicle and Facility Rentals	-	3,632	172	59	2,078	5,941
Depreciation/Contributed Capital	-	14,756	221	51	5,121	20,149
Total Other Expenses	**$ -**	**$ 74,902**	**$ 6,427**	**$ 3,103**	**$ 31,657**	**$ 116,089**
TOTAL EXPENSES	**$ -**	**$ 945,863**	**$ 100,358**	**$ 35,035**	**$ 371,765**	**$ 1,453,021**

10. FY 2018 Detail of Actual Expenses In 000's

Division/Departmental Expenses	Labor & Fringe	Material & Services	Total
OPERATIONS			
Administration and Finance	$ 242	$ 144	$ 386
Project & Control Center Coordination	1,008		1,008
Customized Community Transportation	7,842	4,021	11,863
Operations Staff	1,096	7	1,103
Rail Transportation-Subway-Elevated	52,505	790	53,295
Rail Transportation - Regional Rail	72,691	6,159	78,850
Surface Transportation	213,280	491	213,771
Total Operations	**$ 348,664**	**$ 11,612**	**$ 360,276**
Vehicle Engineering & Maintenance	**$ 117,708**	**$ 49,556**	**$ 167,264**
Engineering, Maintenance & Construction	**$ 79,283**	**$ 32,022**	**$ 111,305**
Transit Police	**$ 19,926**	**$ 891**	**$ 20,817**
STAFF DEPARTMENTS			
Audit and Investigative Services	$ 1,393	$ 32	$ 1,425
Corporate Staff	2,651	218	2,869
Communications	1,039	763	1,802
Customer Experience and Advocacy	5,076	418	5,494
Deputy General Manager/Treasurer Administration	1,583	6	1,589
Employee Development/Relations	9,037	927	9,964
Finance and Planning	10,450	4,245	14,695
Human Resources	4,040	694	4,734
Information Technology	5,540	4,488	10,028
New Payment Technologies	167	240	407
Revenue Operations	11,854	18,360	30,214
Office of Innovation	330	752	1,082
Office of General Counsel	8,437	15,611	24,048
Procurement, Supply Chain & DBE	8,794	595	9,389
Public and Government Affairs	1,480	4,612	6,092
System Safety	1,708	1,187	2,895
Total Staff Departments	**$ 73,579**	**$ 53,148**	**$ 126,727**
Capital Allocation	(6,483)	(5,297)	(11,780)
Total Departmental Expenses	**$ 632,677**	**$ 141,932**	**$ 774,609**
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	$ 358,734	$ -	$ 358,734
Amtrak	-	45,610	45,610
CCT - ADA Services		28,915	28,915
CCT - Shared Ride Program		20,451	20,451
Debt Service Interest and Fees	-	17,313	17,313
Property Insurance/Other Claims Payouts, Net	-	871	871
Services for Headquarters' Building	-	4,793	4,793
Snow Removal and Other Weather Related Expenses	-	5,327	5,327
Utilities	-	17,215	17,215
Capitalized Costs and Other	-	(4,109)	(4,109)
Total Non-Departmental Expenses	**$ 358,734**	**$ 136,386**	**$ 495,120**
OTHER OPERATING EXPENSES			
Injury and Damage Claims	$ -	$ 21,930	21,930
Propulsion Power	-	29,976	29,976
Fuel	-	24,378	24,378
Vehicle and Facility Rentals	-	5,297	5,297
Depreciation/Contributed Capital	-	20,480	20,480
Total Other Expenses	**$ -**	**$ 102,061**	**$ 102,061**
TOTAL EXPENSES	**$ 991,411**	**$ 380,379**	**$ 1,371,790**

10. FY 2017 Detail of Actual Expenses In 000's

Division/Departmental Expenses	Labor & Fringe	Material & Services	Total
OPERATIONS			
Administration and Finance	$ 217	$ 135	$ 352
Control Center	8,235	133	8,368
Customized Community Transportation	7,794	3,666	11,460
Operations Staff	1,612	25	1,637
Rail Transportation-Subway-Elevated	51,661	899	52,560
Rail Transportation - Regional Rail	67,984	21,048	89,032
Surface Transportation	204,023	486	204,509
Vehicle Engineering & Maintenance	115,536	52,941	168,477
Total Operations	**$ 457,062**	**$ 79,333**	**$ 536,395**
Engineering, Maintenance & Construction	**$ 75,067**	**$ 28,963**	**$ 104,030**
Transit Police	**$ 19,779**	**$ 755**	**$ 20,534**
STAFF DEPARTMENTS			
Audit and Investigative Services	$ 1,320	$ 28	$ 1,348
Corporate Staff	2,379	153	2,532
Communications	957	829	1,786
Customer Experience and Advocacy	5,170	225	5,395
Deputy General Manager/Treasurer Administration	1,395	2	1,397
Employee Development/Relations	8,756	721	9,477
Finance and Planning	10,580	2,523	13,103
Human Resources	4,462	699	5,161
Information Technology	5,378	4,991	10,369
New Payment Technologies/Revenue Operations	10,758	1,459	12,217
Office of Innovation	354	214	568
Office of General Counsel	8,188	16,548	24,736
Procurement, Supply Chain & DBE	9,170	410	9,580
Public and Government Affairs	1,356	3,460	4,816
System Safety	1,728	737	2,465
Total Staff Departments	**$ 71,951**	**$ 32,999**	**$ 104,950**
Capital Allocation	(6,799)	(9,901)	(16,700)
Total Departmental Expenses	**$ 617,060**	**$ 132,149**	**$ 749,209**
NON-DEPARTMENTAL EXPENSES			
Fringe Benefits	$ 353,777	$ -	$ 353,777
Amtrak	-	45,751	45,751
CCT - ADA Services	-	31,258	31,258
CCT - Shared Ride Program	-	22,182	22,182
Debt Service Interest and Fees	-	19,231	19,231
Property Insurance/Other Claims Payouts, Net	-	2,614	2,614
Services for Headquarters' Building	-	4,713	4,713
Snow Removal and Other Weather Related Expenses	-	1,773	1,773
Utilities	-	16,258	16,258
Capitalized Cost and Other	-	(2,759)	(2,759)
Total Non-Departmental Expenses	**$ 353,777**	**$ 141,021**	**$ 494,798**
OTHER OPERATING EXPENSES			
Injury and Damage Claims	$ -	$ 24,017	24,017
Propulsion Power	-	31,567	31,567
Fuel	-	23,937	23,937
Vehicle and Facility Rentals	-	9,901	9,901
Depreciation/Contributed Capital	-	19,644	19,644
Total Other Expenses	**$ -**	**$ 109,066**	**$ 109,066**
TOTAL EXPENSES	**$ 970,837**	**$ 382,236**	**$ 1,353,073**

11. Fiscal Year 2019 Headcount Authorizations

HEADCOUNT DESIGNATIONS

Organization Overview

The organization, staffing, and expenses are shown for each division in the Departmental Summaries Section, including subtotals by department. Total headcount is further segregated by Operating versus Capital. The following definitions shall apply throughout this section:

Mgmt……..……..	Supervisory, administrative, and management employees.
Clerical……..……..	Unionized clerical, storeroom and customer service agent employees.
Maintenance, ……. Transportation, or Cashiers	Unionized maintenance and transportation employees, cashiers, and police officers.
Capital…….	Positions supported by Federal, State, or Local capital funding initiatives.

HEADCOUNT AUTHORIZATION CAUSE OF CHANGE SUMMARY

The Fiscal Year 2019 authorized headcount is at 9,653 employees and reflects no increase from the Fiscal Year 2018 level. In the interest of operational efficiencies, effectiveness, and expense consolidation, the following divisional areas have been realigned or rebalanced:

EMPLOYEE DEVELOPMENT/RELATIONS
Employee retirements and the need for continuing technological training has impacted the functions of SEPTA's Human Resources Division. As a result, a new division, Employee Development/Relations, has been established to focus efforts on employee training, testing, personnel development, and employee relations.

TRANSIT POLICE
In light of increased demand placed on Transit Police with the Opioid crisis and continued emphasis to ensure safety of our customers, SEPTA's Transit Police Department has been assigned directly to the General Manager's Staff.

Revenue Operations
A Revenue Operations Division was created in Fiscal Year 2018 to streamline all Revenue Operations and sharpen the focus of the NPT Program Management Department in preparation for system-wide implementation of SEPTA Key.

VEHICLE ENGINEERING AND MAINTENANCE
This new Division was removed from Operations during Fiscal Year 2018 and will play a critically important role in sustaining and building ridership by improving the safety and reliability of our aging fleets and introducing new vehicles. Fiscal Years 2017 and 2018 headcounts have been re-stated for comparative purposes.

11. Fiscal Year 2019 Headcount Authorizations

	OPERATING HEADS					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Audit & Investigative Services	16	-	4	-	-	20
Corporate Staff	17	-	-	-	-	17
Communications	10	5	3	-	-	18
Customer Experience & Advocacy	23	61	-	-	-	84
Deputy General Manager/Treasurer Admin.	9	-	-	-	-	9
Employee Development/Relations	124	-	5	-	-	129
Finance & Planning	117	54	-	-	-	171
Human Resources	36	17	-	-	-	53
Information Technology	66	5	-	-	-	71
New Payment Technologies	1	-	-	-	-	1
Revenue Operations	105	55	48	-	-	208
Office of Innovation	5	-	-	-	-	5
Office of General Counsel	94	23	-	-	-	117
Operations	545	84	187	3,510	320	4,646
Engineering, Maintenance & Construction	197	69	807	-	-	1,073
Transit Police	63	-	210	-	-	273
Procurement, Supply Chain & DBE	85	59	3	-	-	147
Public & Government Affairs	21	-	-	-	-	21
System Safety	24	-	-	-	-	24
Vehicle Engineering & Maintenance	203	35	1,522	-	-	1,760
Total Operating Heads	**1,761**	**467**	**2,789**	**3,510**	**320**	**8,847**

	CAPITAL HEADS					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Audit & Investigative Services	-	-	-	-	-	-
Corporate Staff	-	-	-	-	-	-
Communications	-	-	-	-	-	-
Customer Experience & Advocacy	-	-	-	-	-	-
Deputy General Manager/Treasurer Admin.	1	-	-	-	-	1
Employee Development/Relations	-	-	-	-	-	-
Finance & Planning	5	-	-	-	-	5
Human Resources	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-
New Payment Technologies	9	-	-	-	-	9
Revenue Operations	-	-	-	-	-	-
Office of Innovation	-	-	-	-	-	-
Office of General Counsel	-	-	-	-	-	-
Operations	6	-	-	15	-	21
Engineering, Maintenance & Construction	150	7	308	-	-	465
Transit Police	-	-	-	-	-	-
Procurement, Supply Chain & DBE	13	2	-	-	-	15
Public & Government Affairs	-	-	-	-	-	-
System Safety	3	-	-	-	-	3
Vehicle Engineering & Maintenance	60	3	224	-	-	287
Total Capital Heads	**247**	**12**	**532**	**15**	**-**	**806**

11. Fiscal Year 2019 Headcount Authorizations

	TOTAL HEADS					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Audit & Investigative Services	16	-	4	-	-	20
Corporate Staff	17	-	-	-	-	17
Communications	10	5	3	-	-	18
Customer Experience & Advocacy	23	61	-	-	-	84
Deputy General Manager/Treasurer Admin.	10	-	-	-	-	10
Employee Development/Relations	124	-	5	-	-	129
Finance & Planning	122	54	-	-	-	176
Human Resources	36	17	-	-	-	53
Information Technology	66	5	-	-	-	71
New Payment Technologies	10	-	-	-	-	10
Revenue Operations	105	55	48	-	-	208
Office of Innovation	5	-	-	-	-	5
Office of General Counsel	94	23	-	-	-	117
Operations	551	84	187	3,525	320	4,667
Engineering, Maintenance & Construction	347	76	1,115	-	-	1,538
Transit Police	63	-	210	-	-	273
Procurement, Supply Chain & DBE	98	61	3	-	-	162
Public & Government Affairs	21	-	-	-	-	21
System Safety	27	-	-	-	-	27
Vehicle Engineering & Maintenance	263	38	1,746	-	-	2,047
Total Heads	**2,008**	**479**	**3,321**	**3,525**	**320**	**9,653**

11. Fiscal Years 2015 - 2019 Headcount Authorization

	OPERATING HEADS BY FISCAL YEAR				
	2015	2016	2017	2018	2019
Audit & Investigative Services	37	20	20	20	20
Corporate Staff	17	18	14	18	17
Communications			19	18	18
Customer Experience & Advocacy	82	82	84	84	84
Deputy General Manager/Treasurer Admin.			9	9	9
Employee Development/Relations				122	129
Finance & Planning	179	179	170	170	171
Human Resources	159	159	160	53	53
Information Technology		69	71	71	71
Labor Relations			14		
New Payment Technologies				-	1
Revenue Operations.				188	208
Office of Innovation			5	5	5
Office of General Counsel	111	115	118	117	117
Operations/Engr., Maint. & Construction	7,874	7,895			
Operations			5,129	4,684	4,646
Engineering, Maintenance & Construction			1,068	1,065	1,073
Planning, Project Coordination & Safety			1		
Procurement, Supply Chain & DBE	211	149	149	147	147
Public & Government Affairs	20	20	20	21	21
System Safety		22	24	24	24
Transit Police				273	273
Vehicle Engineering & Maintenance			1,771	1,758	1,760
Total Operating Heads	**8,690**	**8,728**	**8,846**	**8,847**	**8,847**

	CAPITAL HEADS BY FISCAL YEAR				
	2015	2016	2017	2018	2019
Audit & Investigative Services	3	-	-	-	-
Corporate Staff	-	-	1	2	-
Communications			-	-	-
Customer Experience & Advocacy	-	-	-	-	-
Deputy General Manager/Treasurer Admin.			-	1	1
Employee Development/Relations				-	-
Finance & Planning	4	5	6	6	5
Human Resources	-	-	-	-	-
Information Technology		-	-	-	-
Labor Relations			-		
New Payment Technologies				11	9
Revenue Operations.				-	-
Office of Innovation			-	-	-
Office of General Counsel	-	-	-	-	-
Operations/Engr., Maint. & Construction	825	855			
Operations			36	20	21
Engineering, Maintenance & Construction			459	461	465
Planning, Project Coordination & Safety			3		
Procurement, Supply Chain & DBE	12	13	13	15	15
Public & Government Affairs	-	-	-	-	-
System Safety		3	3	3	3
Transit Police				-	-
Vehicle Engineering & Maintenance			286	287	287
Total Capital Heads	**844**	**876**	**807**	**806**	**806**

11. Fiscal Years 2015 - 2019 Headcount Authorization

	TOTAL HEADS BY FISCAL YEARS				
	2015	2016	2017	2018	2019
Audit & Investigative Services	40	20	20	20	20
Corporate Staff	17	18	15	20	17
Communications			19	18	18
Customer Experience & Advocacy	82	82	84	84	84
Deputy General Manager/Treasurer Admin.			9	10	10
Employee Development/Relations				122	129
Finance & Planning	183	184	176	176	176
Human Resources	159	159	160	53	53
Information Technology		69	71	71	71
Labor Relations			14		
New Payment Technologies				11	10
Revenue Operations				188	208
Office of Innovation			5	5	5
Office of General Counsel	111	115	118	117	117
Operations/Engr., Maint. & Construction	8,699	8,750			
Operations			5,165	4,704	4,667
Engineering, Maintenance & Construction			1,527	1,526	1,538
Planning, Project Coordination & Safety			4		
Procurement, Supply Chain & DBE	223	162	162	162	162
Public & Government Affairs	20	20	20	21	21
System Safety		25	27	27	27
Transit Police				273	273
Vehicle Engineering & Maintenance			2,057	2,045	2,047
Total Heads	**9,534**	**9,604**	**9,653**	**9,653**	**9,653**

Headcount Authorization Cause of Change
11. Fiscal Year 2018 to Fiscal Year 2019

Division / Department	*Fiscal Year 2018 Authorized Headcount Cause of Change*	*9,653*
Corporate Staff	• One Mgmt. position added • Three Mgmt. positions transferred to Operations/Project and Control Center Coordination • One Mgmt. position transferred to Operations/Operations Staff	-3
Deputy General Manager/Treasurer (DGM) Administration	• One Mgmt. position added • One Mgmt. position transferred to Employee Development and Relations	0
Employee Development/Relations	• Five Mgmt. positions added • One Mgmt. position transferred from Deputy General Manager/Treasurer (DGM) Administration • One Mgmt. position transferred from Human Resources	+7
Human Resources	• One Mgmt. position added • One Mgmt. position transferred to Employee Development and Relations	0
New Payment Technologies	• One Mgmt. positions transferred to Revenue Operations	-1
Operations/ Operations Staff	• One Mgmt. position transferred from Corporate Staff • Two Mgmt. positions transferred to Vehicle Engineering and Maintenance	-1
Operations/Rail Transportation-Subway-Elevated	• Reduction of 18 positions • One management position transferred to Revenue Operations	-19
Operations/Rail Transportation-Regional Rail	• 38 Mgmt. positions transferred from Operations/Control Center • One Clerical position transferred from Operations/Control Center • 12 Mgmt. positions within the Revenue Collections and Parking section transferred to Revenue Operations • Eight Clerical positions within the Revenue Collections and Parking section transferred to Revenue Operations • Three clerical positions transferred from Operations/ Project and Control Center Coordination	+22

Headcount Authorization Cause of Change
11. Fiscal Year 2018 to Fiscal Year 2019

Division / Department	Cause of Change	
Operations/Surface Transportation	• 45 Mgmt. positions transferred from Operation/Control Center • Four Transportation positions transferred from Operations/Control Center	+49
Operations/ Control Center	• 45 Mgmt. positions transferred to Operations/Surface Transportation • Four Transportation positions transferred to Operations/Surface Transportation • 38 Mgmt. positions transferred to Operations/Rail Transportation-Regional Rail • One Clerical position transferred to Operations/Rail Transportation-Regional Rail • Eight Mgmt. positions transferred to the newly created Operations/Project and Control Center Coordination • 11 Clerical positions transferred to the newly created Operations/Project and Control Center Coordination	-107
Operations/Project and Control Center Coordination	• Three Mgmt. positions transferred from Corporate Staff • Eight Mgmt. positions transferred from Operations/Control Center • 11 Clerical positions transferred from Operations/Control Center • Three clerical positions transferred to Operations/Rail Transportation-Regional Rail	+19
Engineering, Maintenance and Construction	• 12 Maintenance capital positions added	+12
Revenue Operations	• Two Mgmt. positions deleted • One Mgmt. position transferred from New Payment Technologies • One Mgmt. position transferred from Operations/Rail Transportation-Subway-Elevated • 12 Mgmt. positions within the Revenue Collection and Parking section transferred from Operations/Rail Transportation-Regional Rail • Eight Clerical positions within the Revenue Collections and Parking section transferred from Operations/Rail Transportation-Regional Rail	+20

Headcount Authorization Cause of Change
11. Fiscal Year 2018 to Fiscal Year 2019

Division / Department	*Cause of Change*	
Vehicle Engineering and Maintenance	• Two Mgmt. positions transferred from Operations/Operations Staff	+2
	Total Increase/Decrease	**0**
	Fiscal Year 2019 Authorized Headcount	**9,653**

12. Departmental Summaries for Fiscal Year 2019



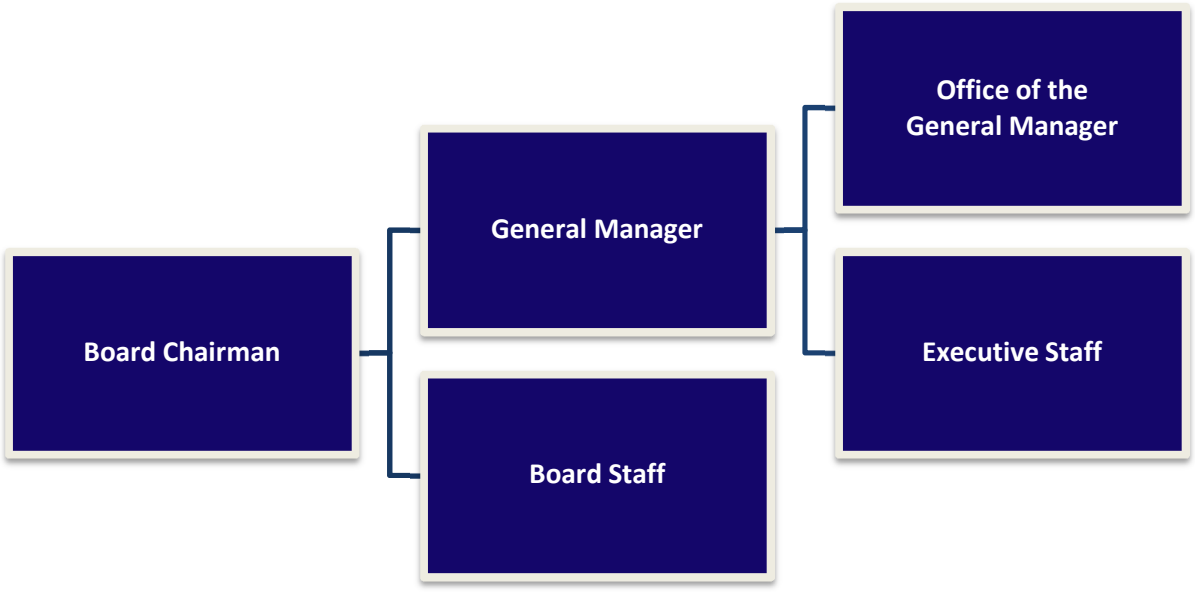
SEPTA

Corporate Staff

Corporate Staff

Overview

SEPTA's Corporate Staff consists of a team of experienced transit professionals who are dedicated to providing vision and guidance to the Authority, while optimizing the best use of limited resources. The Corporate Staff strives to be a partner with stakeholders to promote public transit service as a cost-effective, viable travel option for access to work, school, medical service, shopping, leisure activities and tourism. The Corporate Staff is also committed to operating and managing a system which meets the highest standards for customer and employee safety while providing quality services.



Headcount

	OPERATING HEADS		
	Mgmt.	Clerical	Total
Board Staff	4	-	4
Executive Staff	8	-	8
Office of the General Manager	5	-	5
Total Operating Heads	**17**	**-**	**17**

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Board Staff	$ 491	$ 66	$ 557
Executive Staff	1,570	15	1,585
Office of the General Manager	765	116	881
Total	**$ 2,826**	**$ 197**	**$ 3,023**

Principal Responsibilities

Board Staff
Prepares and attests to all Board documentation generated from committee and Board meetings as well as advising and consulting with the Board on all Board-related matters. The Board staff includes a Secretary to the Board, an Assistant Secretary to the Board, a Controller to the Board, and a Board & Government Liaison.

Executive Staff
Manages and directs the daily functions of the Authority. Executive Staff includes the division leaders reporting directly to the General Manager. Collectively, they are responsible for the operation, administration, and financial management of the Authority.

Office of the General Manager
Oversees all SEPTA services and operations. Along with the SEPTA Board, provides leadership and direction for the Authority.

Fiscal Year 2019 Goals and Business Initiatives

SEPTA's Strategic Business Plan for Fiscal Years 2015 through 2019 established the framework for corporate goal-setting. The strategic plan is available at www.septa.org/strategic-plan. SEPTA's "Building the Future" program features a series of initiatives directed towards these corporate goals, grouped into the five focus areas below:

GOAL	OVERVIEW
The Customer Experience	*Meeting or exceeding rising customer expectations*
Workforce Development & Support	*Attracting and retaining a diverse, highly-skilled, and versatile workforce*
Rebuilding the System	*Reducing the backlog of capital repair needs*
SEPTA is a Business	*Responsibly managing resources to grow the system*
Safety & Security as the Foundation	*A safety-first corporate culture*

GOALS	BUSINESS INITIATIVES
The Customer Experience	1) Complete SEPTA Key Rollout on Transit; Begin SEPTA Key Rollout on Regional Rail
	2) Develop SEPTA Mobile App Verification Program
	3) Begin to Launch Countdown Clocks at all stations on Broad Street Line, Market-Frankford Line, and Trolley Line Tunnel Stations
	4) Define and Implement Master Plan for Customer Experience on "Downtown Link", New Branding for the Center City Concourses, including Early Action Improvement Program for South Broad Concourse
	5) Advance Airport Line improvements including: Trash Removal Gateway Signage; Painting along Right-Of-Way
	6) Continue partnership with Project Home to provide resources to the homeless population in Center City
	7) Start construction on public bathrooms in paid areas at Olney Transportation Center and Suburban Station
	8) Intensify Station/Concourse Cleaning Program
	9) Support City of Philadelphia's "Connect" Transportation Planning Process and Associated Initiatives
	10) Revamp public website, SEPTA.ORG
	11) Minimize customer disruption associated with major construction projects, including: 30th Street To Arsenal; Trolley Blitz and 15th St Station
	12) Implement Hispanic Outreach Strategic Plan
Workforce Development and Support	1) Continue to implement Key Initiatives in Five-Year Master Plan For Human Resources including Recruitment, Onboarding and Testing
	2) Implement revamped New Employee Orientation (NEO) Program
	3) Implement Comprehensive Employee Communications Program through Innovation Team
	4) Achieve 90% SEPTANow penetration for both Management and Hourly employees
	5) Achieve full headcount for Regional Rail Engineers
	6) Conduct review of Management Training Programs and implement changes as appropriate
	7) Implement Employee Facility Improvement Projects
	8) Scale Digital Screens Initiative for improved communications with Front-Line Employees
Rebuilding the System	1) Catenary: Complete West Trenton Line Replacement Project
	2) Track: Replace 6,400 Track-Feet on Rt. 36 From 59th To 65th Streets; Complete Tie & Surfacing on Mainline From Gwynedd to Lansdale (8,000 Ties) & Mainline from K Interlock to 30th Street (3,200 Ties); Renew 9,000 fixations on East End of MFL
	3) Bridges: Complete West Trenton Line Bridge 30.94 and 31.63; Woodland Ave.; Rehab Of NHSL 0.15; Continue with next phase of RRD Stone Arches
	4) Power: Award First Super-Sub Contract for West Trenton Substations; 75% Design Complete for 30Th Street To K Interlock

GOALS	BUSINESS INITIATIVES
Rebuilding the System (Cont'd)	5) Stations (RRD): Complete construction at Levittown, Secane, Exton, Bala, Wynnefield, Yardley, Villanova (Phase I); Advance design at Jenkintown, Conshohocken, Ardmore, Willow Grove
	6) Stations (CTD): Complete construction at 15th St (MFL), 31st St Elevator; Advance design for Tasker-Morris, Susquehanna-Dauphin, City Hall
	7) Interlockings: Complete NHSL Interlocking Improvement Program at Wynnewood and Bryn Mawr; Complete Phase 1 of 30th to Arsenal Project
	8) Buses: Advance delivery of 525 Hybrid-Electric Buses; Complete delivery of 25 Battery-Electric Buses
	9) Rail Vehicles: Complete delivery of 15 Locomotives, progress delivery of 45 Multi-Levels, and advance Frazer Shop Improvements to prepare for the new fleets
	10) Trolleys: Advance modernization program, Including: Program Management; Power Distribution Study; Track and Clearance Study; Bridge Loading Study; Station Evaluation; Vehicle Specification Development; Conduct Tunnel Blitz
	11) MFL: Advance Capacity-Expansion Projects, including interior seating reconfiguration and planning for platform extensions
SEPTA is a Business	1) Launch construction of Elwyn To Wawa service restoration project
	2) Support efforts to reduce Downtown congestion, partnering with the City of Philadelphia, Philadelphia Parking Authority, and Center City District on innovative solutions
	3) Advance Renewable Energy initiatives, including on-site, Roof-Mounted Solar Power Purchase Agreement (PPA) at four SEPTA facilities and a Request For Proposals for off-take of off-site Solar Power
	4) Continue to implement Cycle-Transit Plan, with Strategic Bike Infrastructure Investments at key locations
	5) Successfully negotiate Amtrak agreements and complete efforts to create a Master Agreement with CSX
	6) Continue to implement Trapeze Ops Program for Operations Scheduling Efficiency.
	7) Continue to implement ESCO Master Plan for Energy Efficiency, including an Investment Grade Audit at 1234 Market Street Headquarters Building
	8) Complete business management reviews and implement changes as appropriate
	9) Continue to implement PennDOT performance review action items
	10) Advance Revenue and Asset Protection Initiative, including Storeroom Audit and Fare Evasion Committee
	11) Advance study in collaboration with PA Turnpike Commission to identify a funding replacement for PA Act 44 and additional funding for SEPTA's Suite of Capacity Expansion Initiatives

GOALS	BUSINESS INITIATIVES
Safety and Security as the Foundation	1) Implement Operational Safety Improvement Program
	2) Conduct "Make The Safe Choice" and "Never Too Busy For Safety" Campaigns
	3) Advance implementation of Audible Bus Turn Warning System
	4) Implement Operator Refresher Safety Training Program
	5) Execute Safety Culture Innovation Team Initiatives
	6) Complete First Responder Radio Interoperability Program In Subway Tunnels
	7) Advance Communications-Based Train Control (CBTC) installation on Media-Sharon Hill lines
	8) Complete track area cleanup of Subway/Elevated System
	9) Conduct System-Wide review of Roadway Worker Training Program
	10) Complete 3rd Party Vehicle Inspections
	11) Reduce Lost-Time Injury Rate
	12) Reduce Signal Violations
	13) Safety Bus: Deploy recently completed retrofitted bus for internal and external safety awareness campaigns.
	14) Implement Operator Assault Reduction Plan, including Shield Pilots and Hot-Spot Policing
	15) Complete installation of approved (By Operations, Legal and System Safety) barriers on exterior ladders on Silverliner IV & V Fleets
	16) Advance Cyber Security Innovation Team Progress with a focus on Enterprise Infrastructure Monitoring and Vulnerability Assessment and Remediation; Identify and address critical cyber security risks

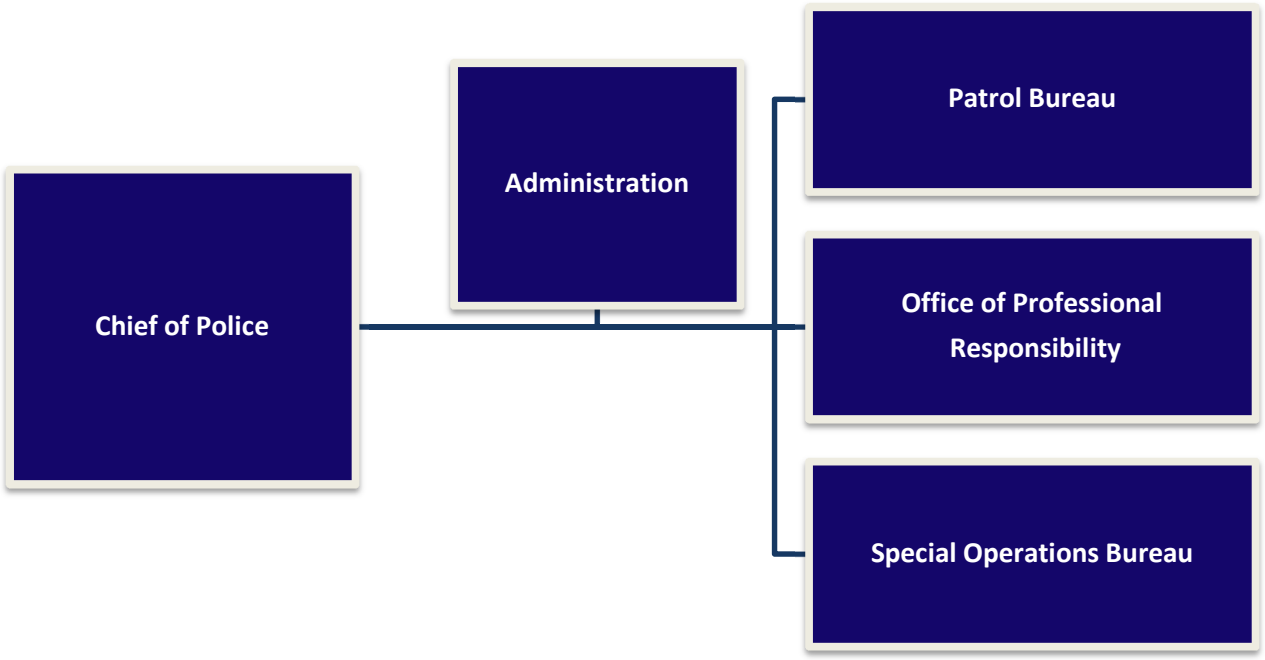


Transit Police

Transit Police

Overview

SEPTA's Transit Police are tasked with preventing and investigating crime; establishing an atmosphere of safety and security throughout each of our transit modes; and serving as public safety ambassadors for the transit system.

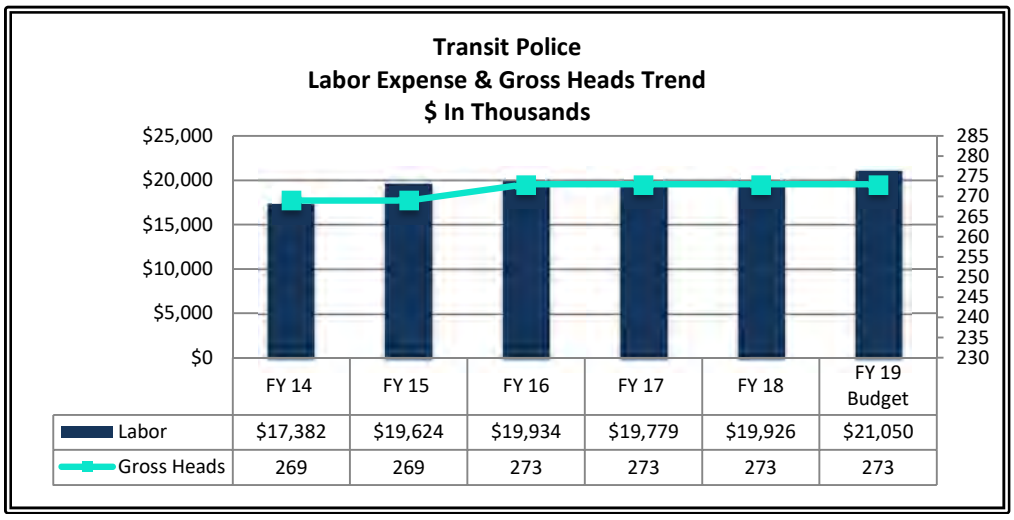


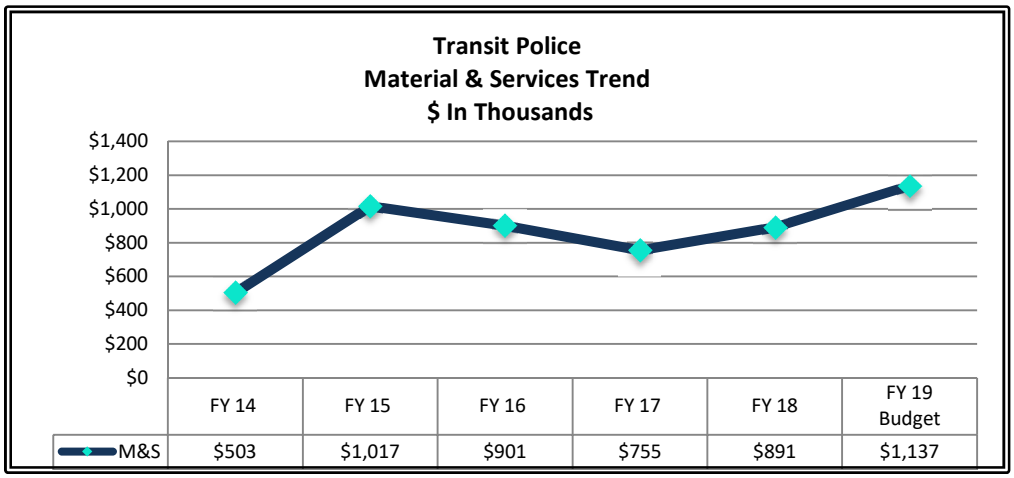
Headcount

	OPERATING HEADS		
	Mgmt.	Police	Total
Administration	10	9	19
Patrol Bureau	22	127	149
Office of Professional Responsibility	9	28	37
Special Operations Bureau	22	46	68
Total Operating Heads	**63**	**210**	**273**

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 1,505	$ -	$ 1,505
Patrol Bureau	11,522	1,137	12,659
Office of Professional Responsibility	2,566	-	2,566
Special Operations Bureau	5,457	-	5,457
Total	**$ 21,050**	**$ 1,137**	**$ 22,187**





Principal Responsibilities

Patrol Bureau
Ensure a safe work and travel environment and enhance the quality of life through law enforcement and protection against crime. Manage the three Transit Police Districts and overnight shifts responsible for patrol (primarily in uniform) of the Broad Street Subway Line, Market-Frankford Line, trolley lines, Regional Rail, and all SEPTA stations and properties.

Office of Professional Responsibility
Ensure the delivery of professional police services, quality control and the continuing education of the department's members. Responsible for the investigation of Transit Police misconduct; management of the body camera program; training of members; recruitment and background investigations.

Special Operations Bureau
Responsible for counterterrorism prevention, specialized emergency response/rescue, criminal investigations, radio communications and records management. Manages SORT, VIPR, K9 operations, and respond to incidents requiring special weapons or equipment. Manages criminal investigation section, undercover operations, communications and records management.

SEPTA

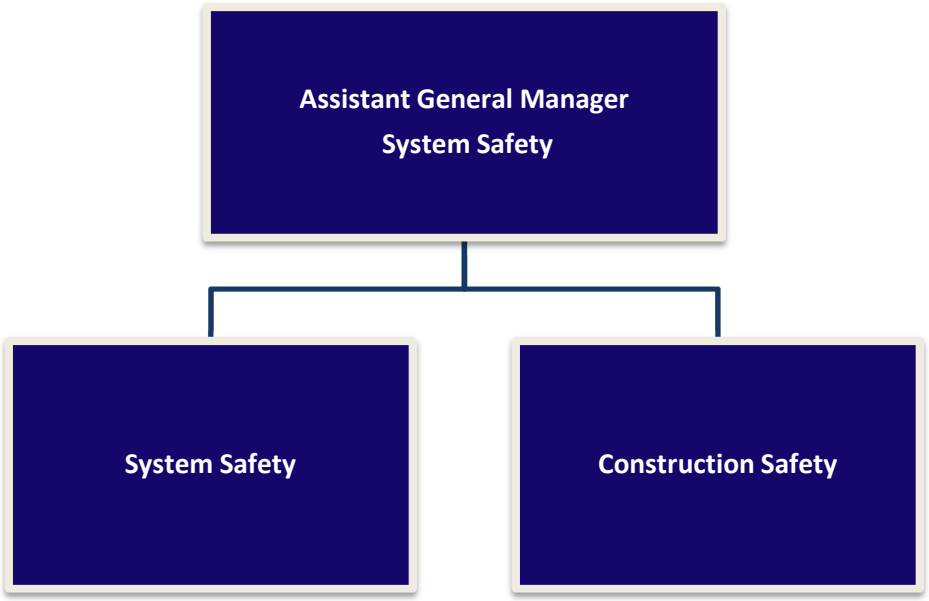


System Safety

System Safety

Overview

SEPTA's System Safety Division consists of a team of experienced safety professionals who are dedicated to ensuring and enhancing the safety of SEPTA's employees and customers. This department serves as the Corporate Safety Consultants for all employees to ensure regulatory compliance with a variety of Safety and Environmental Regulations.



Headcount

	OPERATING HEADS		
	Mgmt.	Clerical	Total
System Safety	24	-	24
Construction Safety	-	-	-
Total Operating Heads	**24**	**-**	**24**

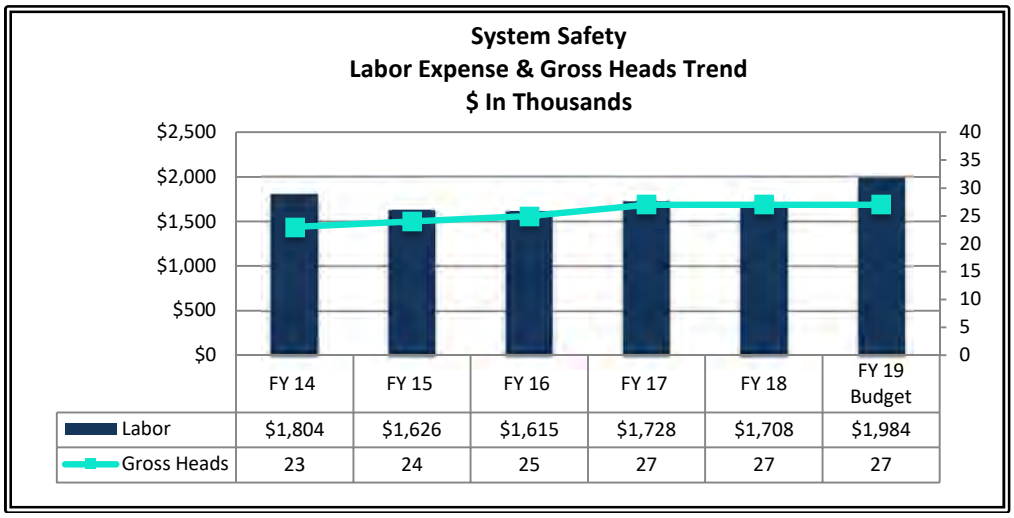
	CAPITAL HEADS		
	Mgmt.	Clerical	Total
System Safety	-	-	-
Construction Safety	3	-	3
Total Capital Heads	**3**	**-**	**3**

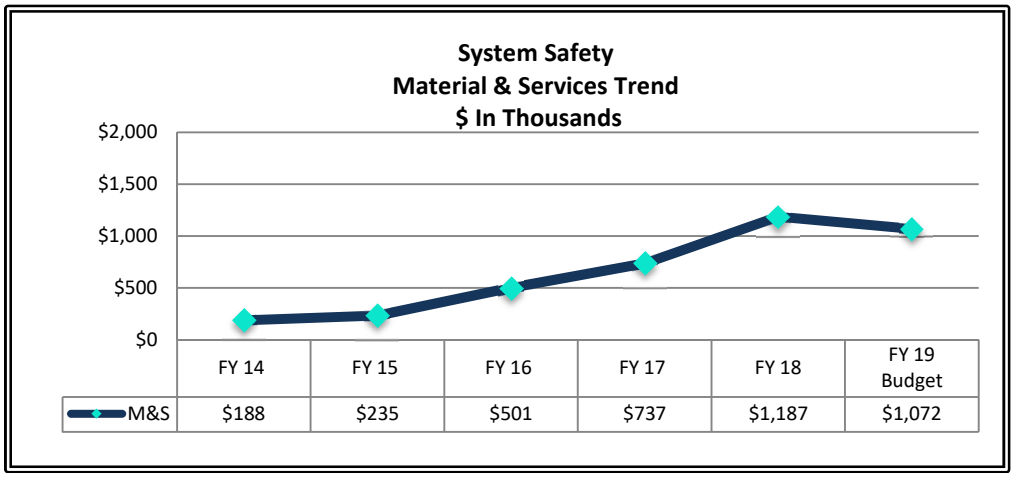
	TOTAL HEADS		
	Mgmt.	Clerical	Total
System Safety	24	-	24
Construction Safety	3	-	3
Total Heads	**27**	**-**	**27**

Budget

Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
System Safety	$ 1,984	$ 1,072	$ 3,056
Total	**$ 1,984**	**$ 1,072**	**$ 3,056**





Note: The increase in FY 16 through FY 18 reflects third party services for safety training, testing, and consulting.

Principal Responsibilities

SYSTEM SAFETY

System Safety performs a wide range of tasks that are designed to ensure and enhance the safety of our employees, customers, and the community. These tasks include the following:

- Develop, implement, maintain, and update the multi-modal System Safety Program Plan (SSPP).
- Coordinate all functions related to safety throughout the Authority, including the potential for environmental and workplace health exposures.
- Routinely perform an enhanced level of safety inspections and audits. In addition to major accident investigations, also conduct occupational injury investigations and safety/risk management assessments.
- Conduct fire drills and evacuation exercises at all Authority locations.
- Direct the activities of the Joint Health and Safety Committee (JHSC) and oversee the Location Safety Committee (LSC) process.
- Assist in the coordination of multi-departmental initiatives to promote and internalize safety as the Authority's top priority.
- Provide consultation and support in the areas of environmental compliance and management of SEPTA's environmental activities.
- Oversee Environmental Site Characterization Assessments, Phase I & II Property Acquisition Assessments, and Remediation Projects.
- Oversee the Authority's Environmental and Sustainability Management System (ESMS).
- Manage the Property Conservation Program and the risk treatment process. Work to reduce risk exposure and implement effective risk control techniques at all Authority locations.
- Coordinate the collection and reporting of all safety statistics throughout the Authority and administer the reporting of those statistics to regulatory agencies.

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **Improve Employee Safety and Promote a Safe Work Environment**	a) Continue to lead employee-focused safety initiatives ("Never Too Busy for Safety"). b) Implement FRA-compliant System Safety Plan (SSP). c) Reduce signal violations on rail modes by 10%.
II. **Increase Customer Safety Awareness**	a) Continue to lead customer-focused safety campaigns ("Make the Safe Choice"). b) Explore technology based solutions to reduce vehicle accidents. c) Reduce customer falls from subway/elevated platforms by 10%.
III. **Ensure Responsible Environmental Management Through the Authority's Environmental and Sustainability Management System Program**	a) Maintain ISO 14001 certification at Berridge Shop. b) Advance the ISO 14001 certification process at Wayne Junction Shop. c) Reduce vehicle idling at shops, facilities, loops, and terminals.
IV. **Develop a Safety-First Culture**	a) Continue transition to Safety Management System (SMS)-compliant safety programs as required by FTA. b) Utilize a data-driven approach to safety decision making. c) Continue Safety Culture Innovation Team to enhance the Authority's overall safety culture. d) Finalize the Authority's Safety Culture Survey distributed to all employees.

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Improve Employee Safety and Promote a Safe Work Environment	• Two (2) employee safety days were held in FY 2018. • FRA-compliant Confidential Close Call Reporting System (C3RS) completed the first year of implementation. • Safety training contract executed and new training implemented. • Technology-based secondary warning systems for roadway workers implemented. • A new Safety Hazard Hot Line and web base electronic hazard reporting system was made available to all employees.
II. Increase Customer Safety Awareness	• Customer Safety Day campaign held in FY 2018. • Safe Turn Alert system now installed in over 500 of SEPTA's bus fleet. • Operation Lifesaver presentations continued in FY 2018. • Implemented "Watch Their Step" Campaign to reduce falls in the tracks.
III. Ensure Responsible Environmental Management Through a Comprehensive ESMS Program	• Berridge Shop ISO 14001 certification was renewed under the new 2015 criteria. • ISO 14001 process continued at Wayne Junction Shop. • Safety Data Sheet (SDS) Electronic Tracking system (3E) is being utilized Authority wide. • Anti-Idling Campaign showing favorable reduction in fuel consumption and costs.
IV. Develop a Safety First Culture	• Gap analysis completed and new Safety Program being developed to bring existing System Safety Program Plan into compliance with anticipated FRA regulations 49 CFR 270. • Data analysis enhanced with regular STAT meetings with General Manager/Deputy General Manager as well as Monthly Management Reports generated. This process will fulfill the data acquisition component of FTA's future SMS regulation under 49 CFR 673/674. • Safety Culture Innovation teams continue to address issues raised at CY 2017 Safety Summit. • Created a Safety Education Bus for both internal and external safety awareness.



SEPTA

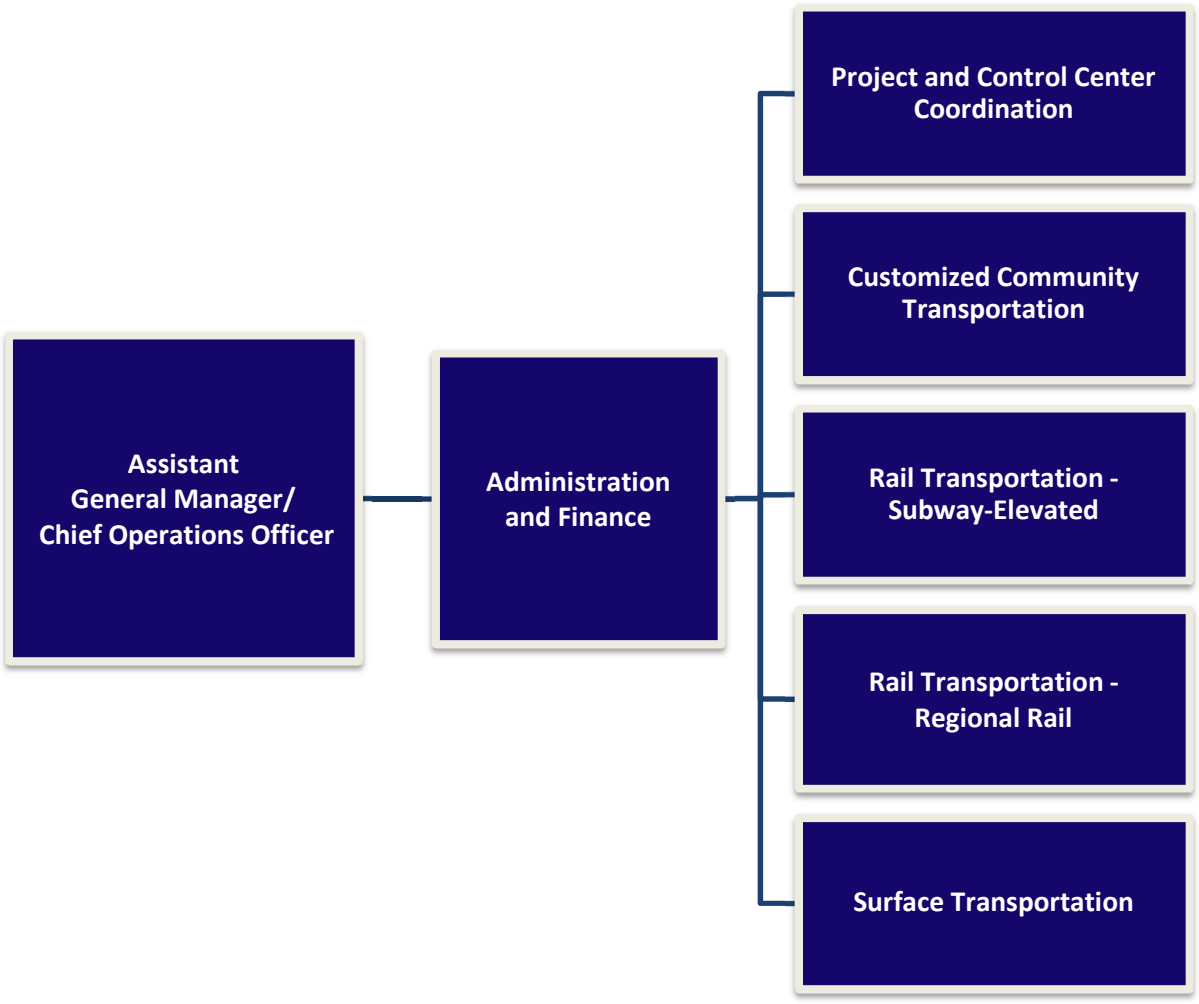
Operations

Operations

Overview

The Operations Division includes the following departments: Project and Control Center Coordination, Customized Community Transportation (CCT), Operations Staff, Rail Transportation, Surface Transportation, and Administration & Finance. The Division provides the leadership for the daily operating decisions and long term goals related to these areas of responsibility.

The Operations Division provided 302.7 million annual passenger trips in Fiscal Year 2018, while operating 100.6 million vehicle miles. Total passenger miles exceeded 1.3 billion. The Division operates 2,899 revenue vehicles on 151 fixed routes, which have approximately 1,570 route miles and over 600 miles of track. The Operations Division also operates and provides service to 279 stations.



Headcount

	OPERATING HEADS					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Administration & Finance	4	-	-	-	-	4
Project and Control Center Coordination	9	8	-	-	-	17
Customized Community Transportation	90	-	-	24	-	114
Operations Staff	6	-	-	-	-	6
Rail Transportation – Subway-Elevated	94	4	182	159	320	759
Rail Transportation – Regional Rail	108	47	5	576	-	736
Surface Transportation	234	25	-	2,751	-	3,010
Total Operating Heads	**545**	**84**	**187**	**3,510**	**320**	**4,646**

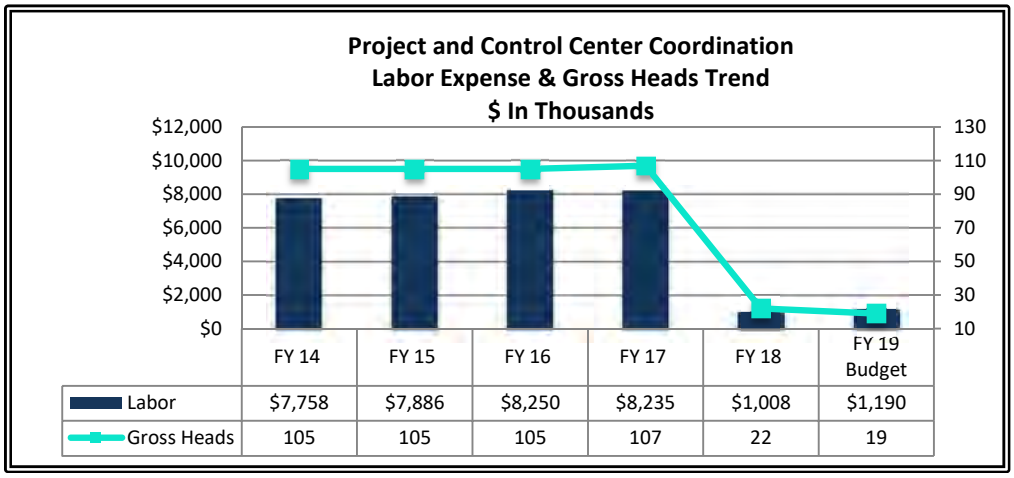
	CAPITAL HEADS					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Administration & Finance	-	-	-	-	-	-
Project and Control Center Coordination	2	-	-	-	-	2
Customized Community Transportation	-	-	-	-	-	-
Operations Staff	1	-	-	-	-	1
Rail Transportation – Subway-Elevated	1	-	-	-	-	1
Rail Transportation – Regional Rail	1	-	-	-	-	1
Surface Transportation	1	-	-	15	-	16
Total Capital Heads	**6**	**-**	**-**	**15**	**-**	**21**

	TOTAL HEADS					
	Mgmt.	Clerical	Maint.	Transp.	Cashier	Total
Administration & Finance	4	-	-	-	-	4
Project and Control Center Coordination	11	8	-	-	-	19
Customized Community Transportation	90	-	-	24	-	114
Operations Staff	7	-	-	-	-	7
Rail Transportation – Subway-Elevated	95	4	182	159	320	760
Rail Transportation – Regional Rail	109	47	5	576	-	737
Surface Transportation	235	25	-	2,766	-	3,026
Total Heads	**551**	**84**	**187**	**3,525**	**320**	**4,667**

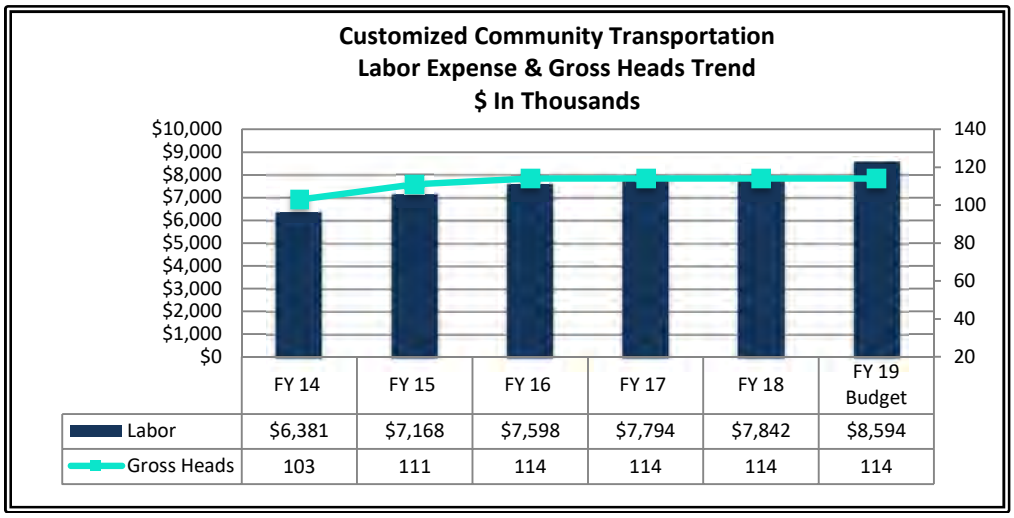
Budget

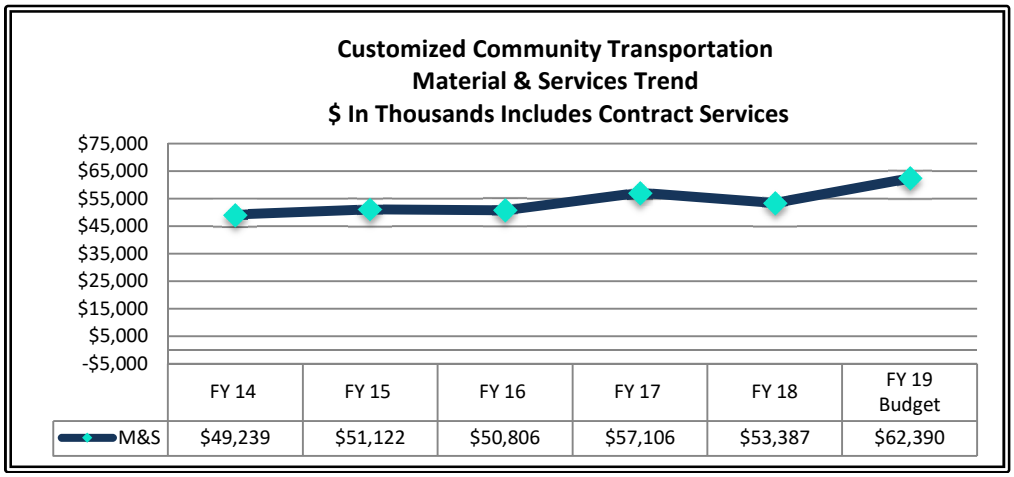
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration & Finance	$ 307	$ 271	$ 578
Project and Control Center Coordination	1,190	289	1,479
Customized Community Transportation	8,594	6,490	15,084
Operations Staff	899	10	909
Rail Transportation – Subway-Elevated	53,205	1,136	54,341
Rail Transportation – Regional Rail	73,492	6,331	79,823
Surface Transportation	220,400	624	221,024
Total	**$ 358,087**	**$ 15,151**	**$ 373,238**

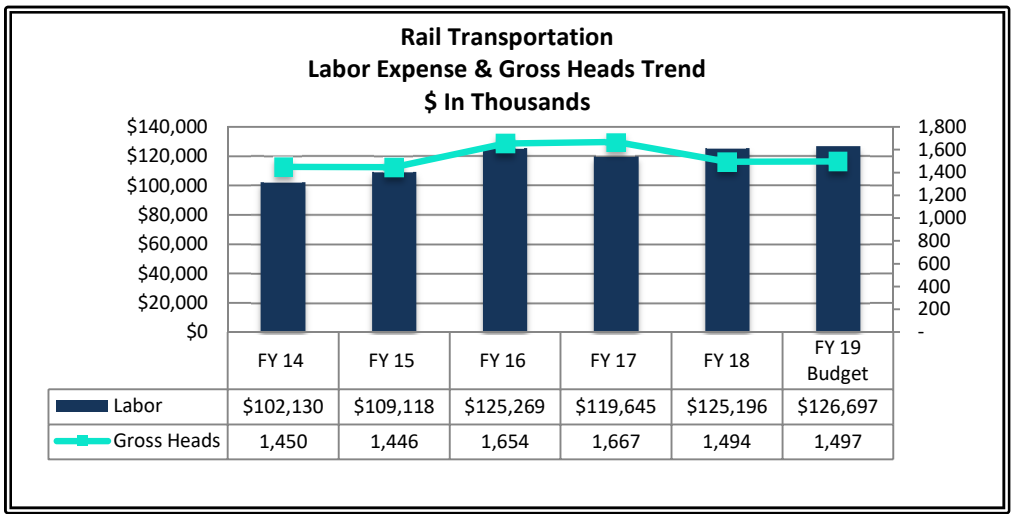


Note: Decrease in FY 2018 reflects a portion of the Control Center being decentralized within Operations to Surface and Rail Transportation.

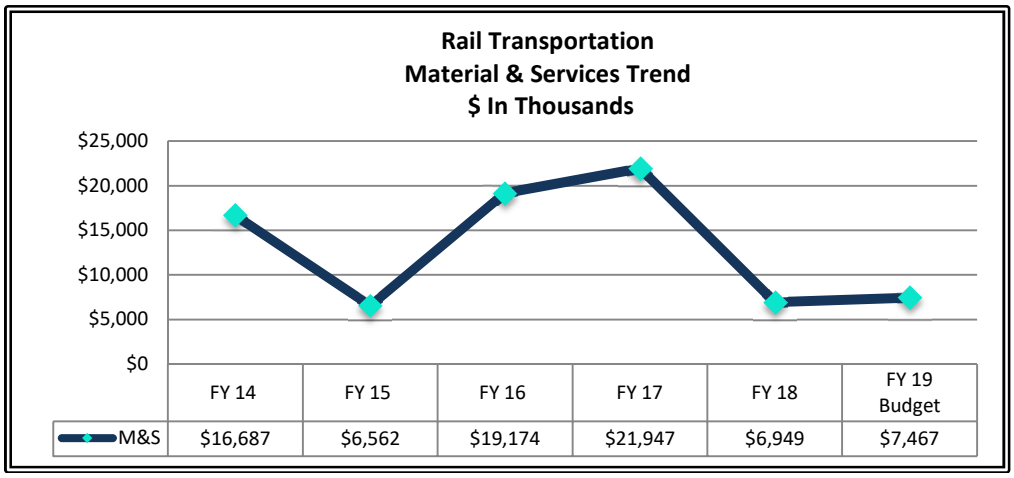




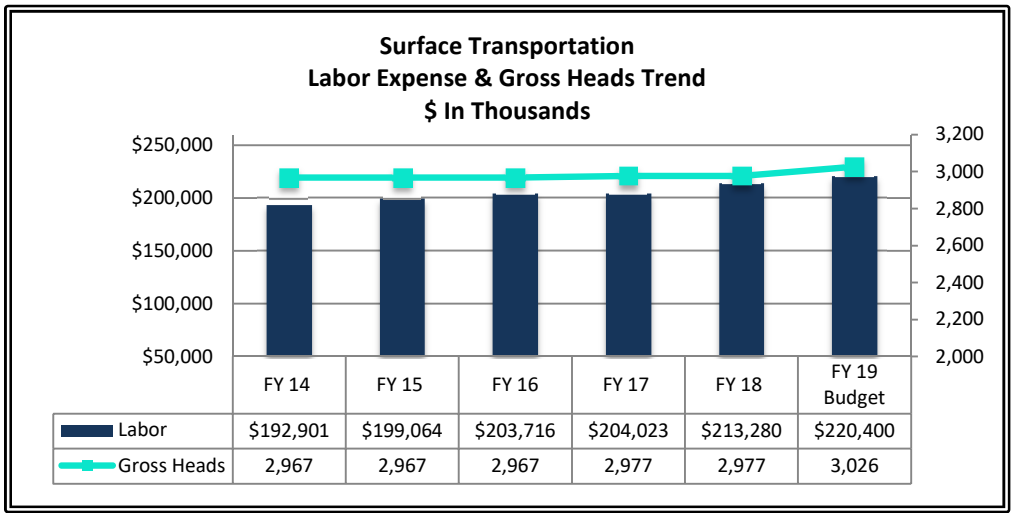
Note: Customized Community Transportation budget includes $55.9 million ADA and Shared Ride contract services.



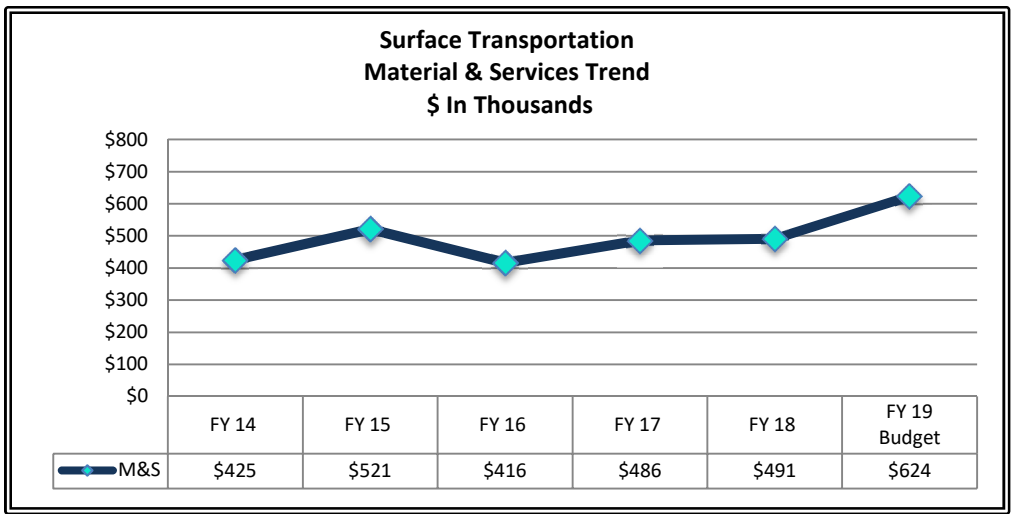
Note: New Payment Technology Integration transferred to Rail Transportation in FY 2016 and in FY 2018 was transferred and realigned with Revenue Operations under the Deputy General Manager.



Note: Decrease in FY 2018 Material and Services reflects New Payment Technologies transfer from Rail Transportation to the Deputy General Manager.



Note: Increase in FY 2019 headcount reflects Project and Control Center Coordination transfer of positions to Surface Transportation.



Principal Responsibilities

ADMINISTRATION AND FINANCE
Coordinate and manage the administrative and financial activities for the Operations Division.

Cost Control
Coordinate the development, submission, and monitoring of Operating and Capital Budget Proposals for the Operations Division.

Performance Statistics Control
Develop and monitor performance statistic goals for the Operations Division, which support SEPTA's mission and strategic goals.

Human Resource Administration
Manage the process of hiring personnel for the Operations Division in accordance with service requirements. Ensure compliance with SEPTA's Human Resource policies.

Customer Service
Process and expedite all customer correspondence routed through the Operations Division.

Record Retention
Coordinate compliance with record retention policies.

Special Projects
Coordinate all logistics and activities related to service interruptions, major sporting events and various other annual events, including the Philadelphia Flower Show and Philly Spring Clean-Up.

CUSTOMIZED COMMUNITY TRANSPORTATION (CCT)
Customized Community Transportation (CCT) is responsible for the operation of SEPTA's two demand response services, ADA Paratransit and Shared Ride Program transportation. This full service operation, from advance reservations and customer service to shared trip completion, operates under the name "CCT Connect". It coordinates development of Requests for Proposals to contract for private operation of new services and provides for the efficient administration of existing contract carrier operations.

CCT coordinates SEPTA's compliance with the Americans with Disabilities Act (ADA) as it pertains to service, equipment and facilities, advising other operating departments on implementing accessible fixed-route service, and facility improvements. It serves as liaison between other SEPTA Divisions and the SEPTA Advisory Committee for Accessible Transportation (SAC).

CCT also administers eligibility for the following programs: PA Disability Transit ID, Senior Citizen Transit ID and Personal Care Attendants on Transit ID. In addition, CCT provides travel training by certified professionals to teach people to travel independently on public transportation. It is offered one-to-one or as part of designed instruction for a group in partnership with several local universities and Philadelphia high schools. CCT oversees the Authority's customized small bus operations and public-private partnerships via its Contract Operations Department.

CCT CONNECT

ADA Services
Provide advance-reservation, ride-sharing paratransit service for eligible disabled riders in Bucks, Chester, Delaware, Montgomery, and Philadelphia counties.

Shared Ride Program (SRP)
Provide advance-reservation, ride-sharing transportation for Philadelphia County riders age 65 and older, regardless of income or disability status.

CONTRACT OPERATIONS

Breeze
Operates SEPTA's small bus service known as the Horsham "Breeze". This service provides transportation designed to meet the needs of employers in SEPTA's suburban service area.

LUCY
Operates a fixed route bus loop in the University City area of West Philadelphia. The service is funded by subsidies from the University City District and operates weekdays between 7:00 a.m. and 7:00 p.m.

Cornwells Heights Shuttle
Operates a small bus shuttle within the 1,600-space park-and-ride lot at Cornwells Heights train station.

Contracted Services
Provides management oversight and compliance of contracts between SEPTA and third party providers of fixed route services (Routes 204 and 205).

PROJECT AND CONTROL CENTER COORDINATION
Works with internal and external groups on track outages, special events, weather events and other issues that require an integrated response by the Control Center.

RAIL TRANSPORTATION - REGIONAL RAIL
Oversee all transportation, customer service, station operation, service planning, ticket sales, and on-board fare collection for the railroad system. The Regional Rail system includes 280 route miles on 13 lines or branches. Approximately 780 trains service a total of 155 stations per average weekday.

RAIL TRANSPORTATION - SUBWAY-ELEVATED

Transportation

Subway-Elevated Transportation is organized into two sections: Market–Frankford Subway-Elevated (MFL) and Broad Street Subway (BSL).

The MFL operates 380 revenue trains each weekday between the Frankford Transportation Center and the 69th Street Terminal. The BSL operates 598 revenue trains each weekday between the Fern Rock Transportation Center and NRG Station as well as along the Ridge Avenue Spur.

Station Cleaning

The Subway-Elevated stations group oversees the cleaning of 28 Market-Frankford Subway-Elevated stations, 25 Broad Street Subway stations, and 8 trolley stations.

SURFACE TRANSPORTATION

Operates surface transit modes throughout the five county service area with service originating from nine operating locations in the region. Each operating district has full responsibility for transportation service of the transit fleet in that location.

The nine operating districts operate a total of 119 bus, 3 trackless trolley routes, 8 trolley (light rail) routes, and 1 interurban high speed (heavy rail) line. It should be noted that the number of bus routes identified by operating district in this section differs from the total number reported elsewhere, due to 14 bus routes that are operated out of more than one district as operating conditions necessitate. The 9 operating districts in Surface Transportation are:

1. **Allegheny** - operates 8 bus routes
2. **Callowhill** - operates 12 bus routes, in addition to trolley (light rail) Routes 10 and 15
3. **Comly** - operates 16 bus routes
4. **Elmwood -** operates trolley (light rail) Routes 11, 13, 34, and 36
5. **Frankford** - operates 13 bus routes and 3 trackless trolley routes
6. **Midvale** - operates 24 bus routes
7. **Southern** - operates 18 bus routes
8. **Frontier** - operates 22 bus routes
9. **Victory** - operates 20 bus routes, 2 trolley (light rail) Routes 101 and 102, and 1 heavy rail Route 100

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **Improve Customer and Employee Safety and System Security**	a) Implement updated Operator Assault Reduction Plan. b) Ensure completion of the Operational Safety Improvement Program (OSIP) to improve operational safety. c) Ensure 100% of Location Safety Committee meeting schedule is met. d) Create an updated Sleep Apnea Mitigation Plan, starting with Regional Rail. e) Reduce pedestrian knockdowns by 10%. f) Reduce signal violations by 5%. g) Fully comply with Federal Railroad Administration (FRA) 49 CFR Part 238 Special Approval. h) Implement Bus Operator Refresher Safety Training Program on four-year cycle, including a module on human trafficking. i) Conduct manual block training exercises in trolley tunnel, on MFL and on BSL at Fern Rock. j) Advance Confidential Close Call Reporting System (C3RS).
II. **Improve Service Quality and Customer Satisfaction**	a) Meet and/or exceed on-time performance and missed trip goals for improved service reliability on each mode. b) Work with Recruitment and Training Departments to increase the pool of available candidates for bus operators. c) Continue to support the Regional Rail Service Reliability Program. d) Develop strategies to provide on-site travel training in schools, elder care facilities and other venues. e) Engage potential CCT Connect participants as well as their caregivers and encourage them to use SEPTA fixed-route services. f) Accelerate the development and implementation of Route Match Traveler Information System.

GOALS	BUSINESS INITIATIVES
II. Improve Service Quality And Customer Satisfaction (Continued)	g) Develop detail plans for communications for all modes during service interruptions utilizing control center information managers, transportation/station managers, operators, cashiers, and zone office managers. h) Continue hotspot cleaning blitzes for Subway/Elevated and improve scheduled station power washing at Regional Rail stations. i) Complete improvements to real-time information systems for Regional Rail and all surface vehicles (except trolley tunnel). j) Prepare facilities and provide Ambassador support for major events in FY 2019, including: Flower Show (March), Safety Day (April), Broad Street Run (May), and Welcome America (July). k) Manage and plan for service outages to minimize customer disruption, including: Trolley Tunnel Blitz, City Hall Station, and 15th Street Station. l) Extend companion care ridership privileges to fixed-route service. m) Conduct management performance reviews of CCT Paratransit services, DBE certification/monitoring process and storeroom inventory controls. Identify strengths and address weaknesses where appropriate.
III. **Support Capital Improvement Projects**	a) Continue to support expanded capital construction activities across the system by providing exceptional transportation substitution efforts.

GOALS	BUSINESS INITIATIVES
IV. **Improve Employee Satisfaction and Develop a Highly Qualified Staff**	a) Launch additional management training initiatives, from formal to informal. Consider implementation of mentoring program. Increase succession planning efforts. b) Implement key initiatives of Employee Communications Innovation Team, especially those focused on improving communications with hourly personnel. c) Work to keep conductor and assistant conductor headcount at required levels. d) Continue to progress on-the-job training using RRD Engineers. e) Engage cashiers in focus groups during transition process to SEPTA Key. f) Extend Cleaner Recognition Program to new groups, including City Cleaners. g) Continue to promote employee volunteerism through participation in Philly Spring Clean-up (April), and Yule Toy Drive (December).
V. **Improve Productivity and Cost Effectiveness**	a) Work with Police Operations, Communications, Training and Revenue departments to reduce fare evasion. Utilize multi-faceted approach including procedural changes, education and enforcement.
VI. **Support the Authority's Ridership Growth Efforts**	a) Participate in development of new Comprehensive Bus Network Redesign with outside consultant. b) Participate in the advancement of the Trolley Modernization Program
VII. **Support the Authority's Implementation of New Payment Technologies**	a) Support and advance the roll-out of SEPTA Key for CCT and Regional Rail. b) Transition cashiers to new role as customer attendants in support of SEPTA Key.

Fiscal Year 2018 Accomplishments

FY 2018 Goal	Accomplishments
I. Improve Customer and Employee Safety and System Security	• Supported the Location Safety Committee (LSC) and Joint Health Safety Committee (JHSC) process, and addressed deficiencies identified in a timely fashion. • Supported ongoing efforts to update the current Personal Protective Equipment (PPE) Policy. • Continued to support efforts to provide full Positive Train Control (PTC) implementation on SEPTA territory. • Successfully implemented new C3RS (Confidential Close Call Reporting System) initiative. • Continued with the pedestrian awareness campaign.
II. Improve Service Quality and Customer Satisfaction	• Monitored the performance of contracted third party CCT service providers. • In conjunction with the Office of Innovation, assembled a report on best practices for CCT service from across the country. Made recommendations for both improvements to service and possible cost saving opportunities where appropriate. • Prepared facilities and provided Ambassador support for major events in FY 2018, including: Flower Show (March), Safety Day (April), Broad Street Run (May), and Welcome America (July). • Managed and planned for outages to minimize customer disruption, including: Trolley Tunnel Blitz, City Hall Station, and 15th Street Station. • Extended personal companion care ridership privileges to fixed-route service.
III. Improve Productivity and Cost Effectiveness	• Quantified and carefully developed a program to reduce fare evasion across all modes. • Supported recycling efforts as well as other critical sustainability initiatives. • Continued with efforts to foster data driven management decision making. Worked to create or improve data dashboards for the Departments. • Supported efforts to reverse a loss of ridership experienced on portions of the Surface network. • Supported efforts to launch the new Direct Bus initiative for express Roosevelt Boulevard service.

	FY 2018 Goal	Accomplishments
IV.	**Support Capital Improvement Projects**	• Continued to support expanded capital construction activities across the system, including bus substitution efforts.
V.	**Improve Employee Satisfaction and Develop a Highly Qualified Staff**	• Supported the Women-In-Trades initiative. • Worked to provide improved training for new managers. • Accomplished bus operator refresher training, including a segment on human trafficking. • Continued to promote employee volunteerism through participation in Philly Spring Clean-up (April), Philabundance (June), and Yule Toy Drive (December).
VI.	**Support the Authority's Implementation of New Payment Technologies**	• Continued rollout of SEPTA Key for City and Suburban transit. • Continued to work with Communications/ Marketing, Government and Community Relations, and Media Relations to develop and implement a comprehensive communications plan for the SEPTA Key.



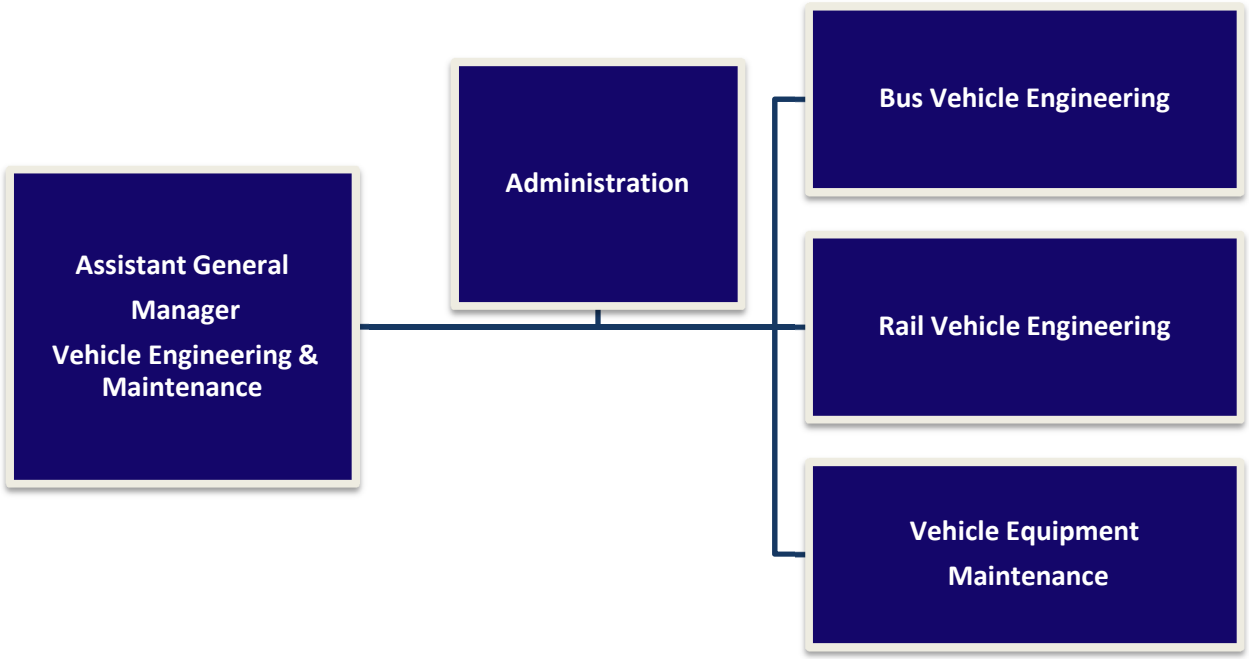
SEPTA

Vehicle Engineering and Maintenance

Vehicle Engineering and Maintenance

Overview

The Vehicle Engineering and Maintenance Division is responsible for the maintenance and engineering related to all Authority vehicles including buses, trolley buses, light rail, Market-Frankford and Broad Street Line, Regional Rail and Norristown High Speed cars and all non-revenue generating utility fleet vehicles and equipment. They also coordinate the procurement of ADA Paratransit and Shared Ride vehicles.



Headcount

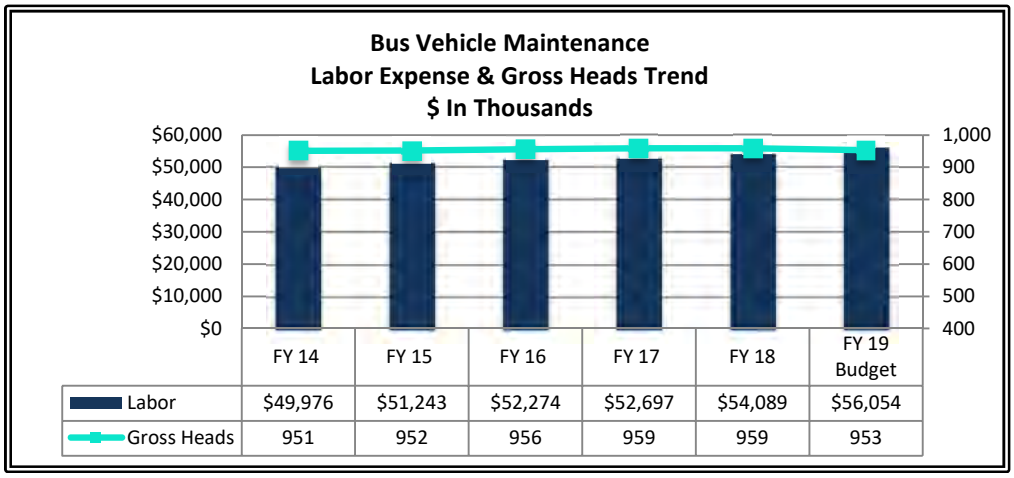
	OPERATING HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration	3	-	-	3
Bus Vehicle Engineering	16	-	-	16
Rail Vehicle Engineering	16	2	-	18
Vehicle Equipment Maintenance	168	33	1,522	1,723
Total Operating Heads	**203**	**35**	**1,522**	**1,760**

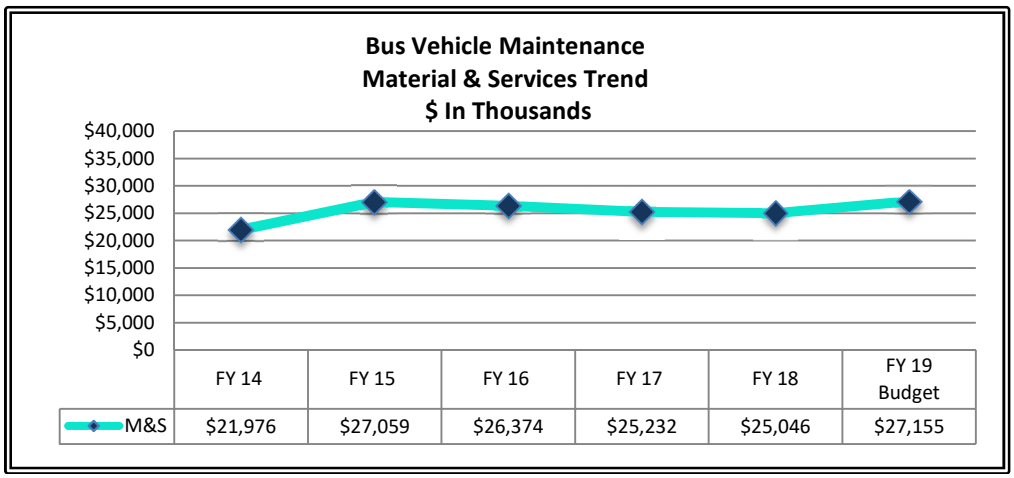
	CAPITAL HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration	1	-	-	1
Bus Vehicle Engineering	11	-	-	11
Rail Vehicle Engineering	23	2	-	25
Vehicle Equipment Maintenance	25	1	224	250
Total Capital Heads	**60**	**3**	**224**	**287**

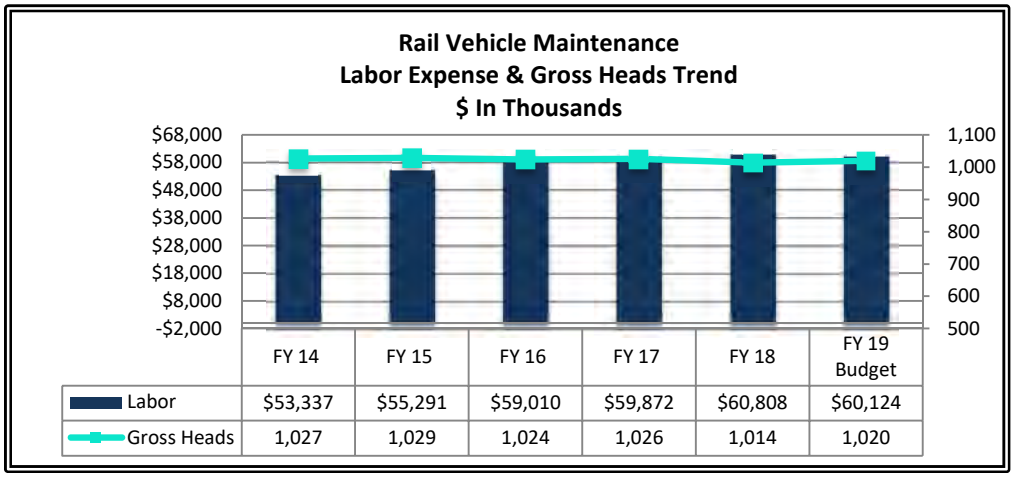
	TOTAL HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration	4	-	-	4
Bus Vehicle Engineering	27	-	-	27
Rail Vehicle Engineering	39	4	-	43
Vehicle Equipment Maintenance	193	34	1,746	1,973
Total Heads	**263**	**38**	**1,746**	**2,047**

Budget
Amounts in Thousands ('000)

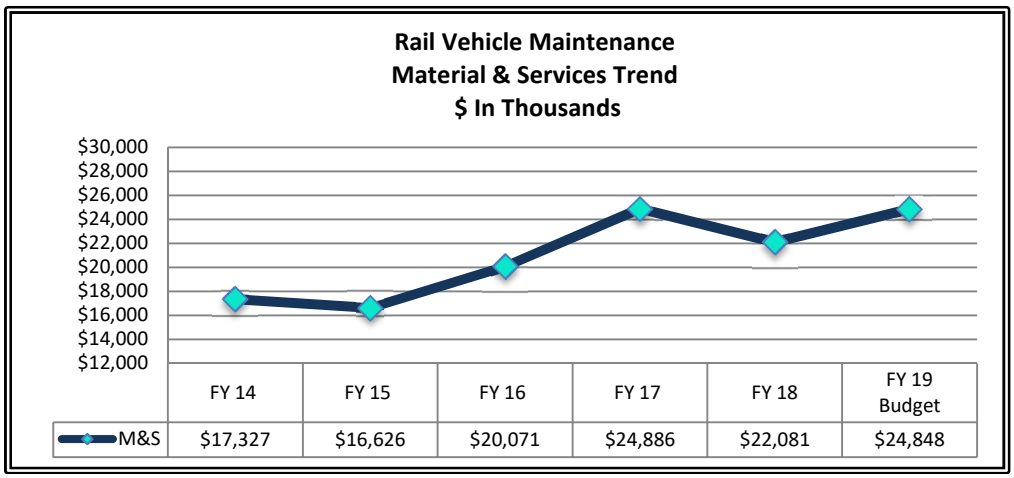
	Net Labor	Material & Services	Total
Administration	$ 402	$ -	$ 402
Bus Vehicle Engineering	1,411	2,998	4,409
Rail Vehicle Engineering	1,410	90	1,500
Vehicle Equipment Maintenance	116,178	52,003	168,181
Total	**$ 119,401**	**$ 55,091**	**$ 174,492**



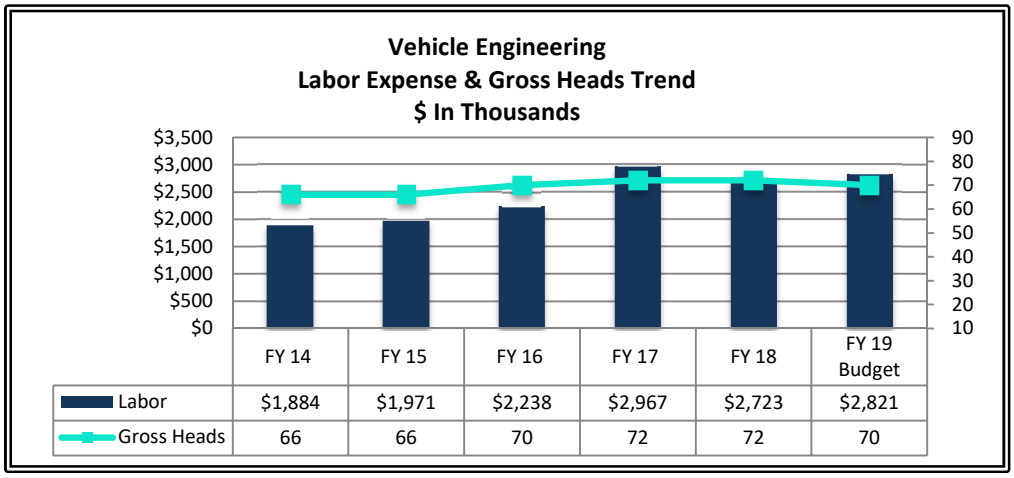




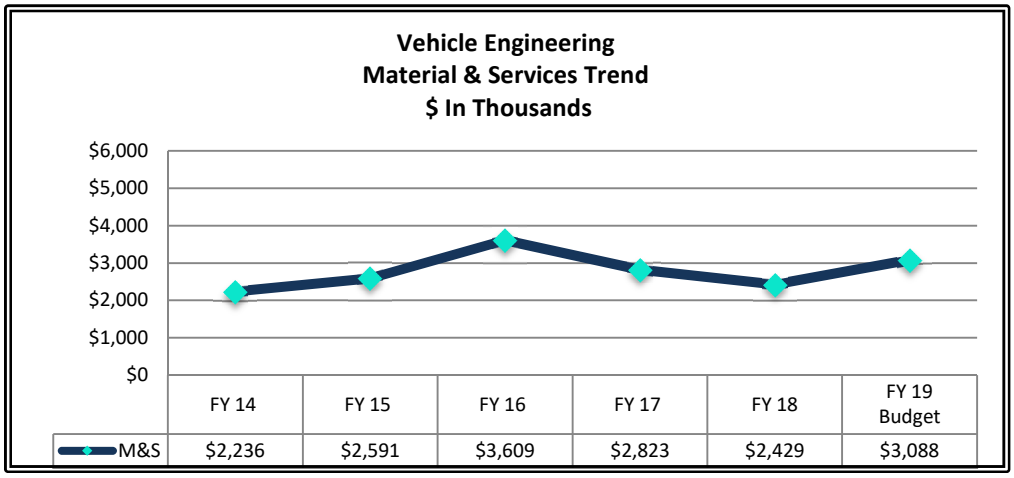
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 Budget
Labor	$53,337	$55,291	$59,010	$59,872	$60,808	$60,124
Gross Heads	1,027	1,029	1,024	1,026	1,014	1,020



	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 Budget
M&S	$17,327	$16,626	$20,071	$24,886	$22,081	$24,848



	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19 Budget
Labor	$1,884	$1,971	$2,238	$2,967	$2,723	$2,821
Gross Heads	66	66	70	72	72	70



Principal Responsibilities

VEHICLE ENGINEERING

BUS VEHICLE ENGINEERING

Oversees the engineering for bus, trackless trolley, and non-revenue generating vehicle fleets. Responsible for the acquisition of new fleets of vehicles including bus, CCT, and utility vehicles. Manages administrative, personnel and budgetary elements of Bus Vehicle Engineering, Rail Vehicle Engineering, and Vehicle Maintenance groups.

Engineering

Provides all engineering support including specifications, drawings, vehicle modifications, and system upgrades for all bus fleets. Investigates and resolves bus and fleet technical issues. Support is provided to heavy maintenance facilities and CCT vehicle maintenance.

New Vehicles

Oversees the purchase of all new bus, trackless trolley, CCT, and utility vehicles for the Authority. Manages the procurement, production, inspection, acceptance, and contract deliverables (e.g. spare parts, manuals, and warranty administration) for various automotive vehicle contracts.

RAIL VEHICLE ENGINEERING

Oversees the engineering for light rail, subway-elevated, and Regional Rail fleets and is responsible for all new rail vehicle acquisitions.

Engineering

Provides all engineering support including specifications, drawings, vehicle modifications, and system upgrades for all rail fleets. Investigates and resolves rail and fleet technical issues. Support is provided to heavy maintenance facilities.

New Vehicles
Oversees the purchase of all new rail vehicles for the Authority. Manages the procurement, production, inspection, acceptance, and contract deliverables (e.g. spare parts, manuals, and warranty administration) for various rail vehicle contracts.

VEHICLE MAINTENANCE

BUS MAINTENANCE

Oversees all maintenance aspects for bus, trackless trolley, and non-revenue generating fleets and responsible for bus and utility vehicle preventive maintenance overhauls.

Consists of the following nine locations:

- Six (6) maintenance locations in the Philadelphia area
- Victory in Delaware County
- Frontier in Montgomery County
- Contract Operations located in the Germantown section of Philadelphia

These nine locations are responsible for all aspects of daily maintenance, cleaning, inspection, and servicing for a fleet of over 1,500 vehicles.

Automotive Backshops
Perform overhaul and heavy maintenance activities on bus, trackless trolley, and non-revenue generating utility vehicle fleets.

RAIL MAINTENANCE

Oversees all maintenance aspects for light rail, subway-elevated, and railroad fleets and responsible for rail vehicle preventive maintenance overhauls.

Rail Equipment Maintenance
Perform programmed vehicle and component overhauls of various rail fleets as well as the inspection, maintenance, and running repairs of the following rail fleets:

- MFL M-IV fleet at the 69th Street and Bridge Street Car Houses
- Media-Sharon Hill Line LRV fleet at the MSHL Shop at 69th Street
- Norristown High Speed Line N5 fleet at the NHSL Shop at Victory Avenue
- BSL B-IV fleet at the Fern Rock Car House
- Subway/Surface LRV fleet at the Callowhill and Elmwood Shops
- Route 15 PCC-II fleet at the Callowhill Shop
- The following backshops perform vehicle component overhauls:
 - 69th Street Shop
 - 69th Street Motor Shop
 - Fern Rock Shop
 - Woodland Shop

Railroad Backshops and Yards

Provide all maintenance and overhaul activities on the railroad car fleet. The fleet is comprised of Silverliner 4 and 5 EMU (electric multiple unit) cars and non-powered bombardier coaches (push-pull) propelled by AEM-7 and ACS-64 electric locomotives. Shop locations include:

- Overbrook
- Roberts Yard
- Wayne Junction
- Powelton Yard
- Frazer

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. Improve Customer and Employee Safety and System Security	a) Improve the safety culture at SEPTA. Safety is the foundation for all that we do. b) Continue to support efforts to provide full Positive Train Control (PTC) implementation. c) Comply with the recently obtained FRA Door Waiver. d) Bring MFL bolster repair to final design. e) Install operator security shields on bus fleet. f) Install barriers on exterior ladders on railroad fleet. g) Advance effort to procure simulators for rail transit mode. h) Contract for third party inspections of random vehicles from each fleet. i) Continue improvement of new trip-stop system to be utilized on the NHSL to better protect roadway workers. j) Continue implementation of audible bus turn warning system.
II. Improve Service Quality and Customer Satisfaction	a) Monitor MDBF performance of all vehicles and aggressively address adverse trends as they arise. Look for opportunities to improve performance, including the review of best practices from other transit agencies.

GOALS	BUSINESS INITIATIVES
III. Support Capital Improvement Projects	a) Continue to support expanded capital construction activities across the system by providing vehicles for bus substitution efforts. b) Support planning and preliminary engineering efforts for the trolley modernization program and the procurement of electric work cars. c) Continue to implement MFL capacity enhancement initiatives, such as interior reconfiguration and conceptual study for 8-car platforms. d) Support the roll-out of the SEPTA Key.
IV. Improve Employee Satisfaction and Develop a Highly Qualified Staff	a) Support the Women-In-Trades initiative. b) Work to provide improved training for new managers. c) Continue to promote employee volunteerism through participation in programs such as Philly Spring Clean-up (April) and Yule Toy Drive (December).
V. Improve Productivity and Cost Effectiveness	a) Support a program to reduce fare evasion across all modes. b) Support recycling efforts as well as other critical sustainability initiatives. c) Continue with efforts to foster data driven management decision making. Work to create or improve data dashboards for the various groups in VEM. d) Support efforts to reverse a loss of ridership experienced on portions of the Surface network.
VI. Support the Authority's Ridership Growth Efforts	a) Advance ongoing vehicle procurements: • 525 hybrid bus order with New Flyer • 25 battery-electric buses with Proterra • 15 ACS-64 electric locomotives from Siemens • 45 Multi-level push-pull rail cars for Regional Rail • 225 CCT Paratransit vehicles b) Fast-track Frazer Shop Improvement Program to prepare for new multi-level railcar and ACS-64 locomotive fleets.
VII. Support the Authority's Implementation of New Payment Technologies	a) Continue to support the rollout of SEPTA Key.

Fiscal Year 2018 Accomplishments

FY 2018 Goal	Accomplishments
I. Improve Customer and Employee Safety and System Security	• Prepared facilities and provided Ambassador support for major special events, including: Philadelphia Flower Show, Eagles Championship Parade, Broad Street Run, Spring Clean Up and Philabundance. • Conducted regular safety meetings and supported the Joint Health and Safety Committee (JHSC) Process. • Analyzed movement of vehicles in all districts, shops and garages, particularly in the bays, and made recommendations to improve vehicle speed compliance. • Enhanced the Vehicle Quality Assurance and Quality Control Program with focus on safety critical items. • Reduced lost time injuries and accident rates by analyzing injury data to identify high risk areas.
II. Improve Service Quality and Customer Satisfaction	• Supported installation of equipment on vehicles to provide real time vehicle location • Completed delivery of (35) 30 foot buses • Continued improvement of fleet reliability
III. Improve Productivity and Cost Effectiveness	• Developed the Fleet Management Plan and monitored its effectiveness towards maximizing the utilization of all fleets. • Managed warranty compliance in specifications for SEPTA's new bus procurement contracts with OEMs and suppliers. • Advanced the evaluation of innovative vehicle technologies, focusing on energy savings. • Continued the conversion of incandescent to LED lights on all vehicle fleets. • Researched vehicle material upgrades to increase fleet durability and reliability. • Advanced technologies to support extended low voltage DC battery life.
IV. Support Capital Improvement Projects	• Supported the modernization of the CBTC (Communications-Based Train Control) system on the MSHL. • Coordinated the impact of construction with alternate substitute transportation to minimize customer and service disruptions.

FY 2018 Goal		Accomplishments
V.	**Improve Employee Satisfaction and Develop a Highly Qualified Staff**	• Proactively addressed organizational turnover. • Continued incremental improvement to workforce diversity among the organization. • Worked with Labor Relations to develop and conduct workshops designed to increase and improve managers' expertise in contract compliance, discipline assessment, and grievance handling.
VI.	**Support the Authority's Ridership Growth Efforts**	• Continued to advance ongoing vehicle procurements: - 525 hybrid-electric buses - 25 battery-electric buses - 225 paratransit vehicles - 15 ACS-64 electric locomotives - 45 multi-level push-pull railcars • Achieved key VOH production goals. • Awarded second major contract for Frazer yard improvements. • Provided support for trolley tunnel blitz.
VII.	**Support the Authority's Implementation of New Payment Technologies**	• Continued rollout of SEPTA Key for City and Suburban transit. • Supported the advancement of the SEPTA Key Program.
VIII.	**Nurture Stakeholder Relationships**	• Conducted periodic briefings with Citizen Advisory Committee, Youth Advisory Committee, SEPTA Advisory Committee on Accessible Transportation, and other key stakeholder groups.



SEPTA

Engineering, Maintenance & Construction

Engineering, Maintenance & Construction

The Engineering, Maintenance & Construction (EM&C) Division is responsible for all engineering and maintenance related to the Authority's stations, buildings, bridges, track, communications, and signal and power systems. The Division is also responsible for capital construction of both transit and railroad facilities and right-of-way elements.

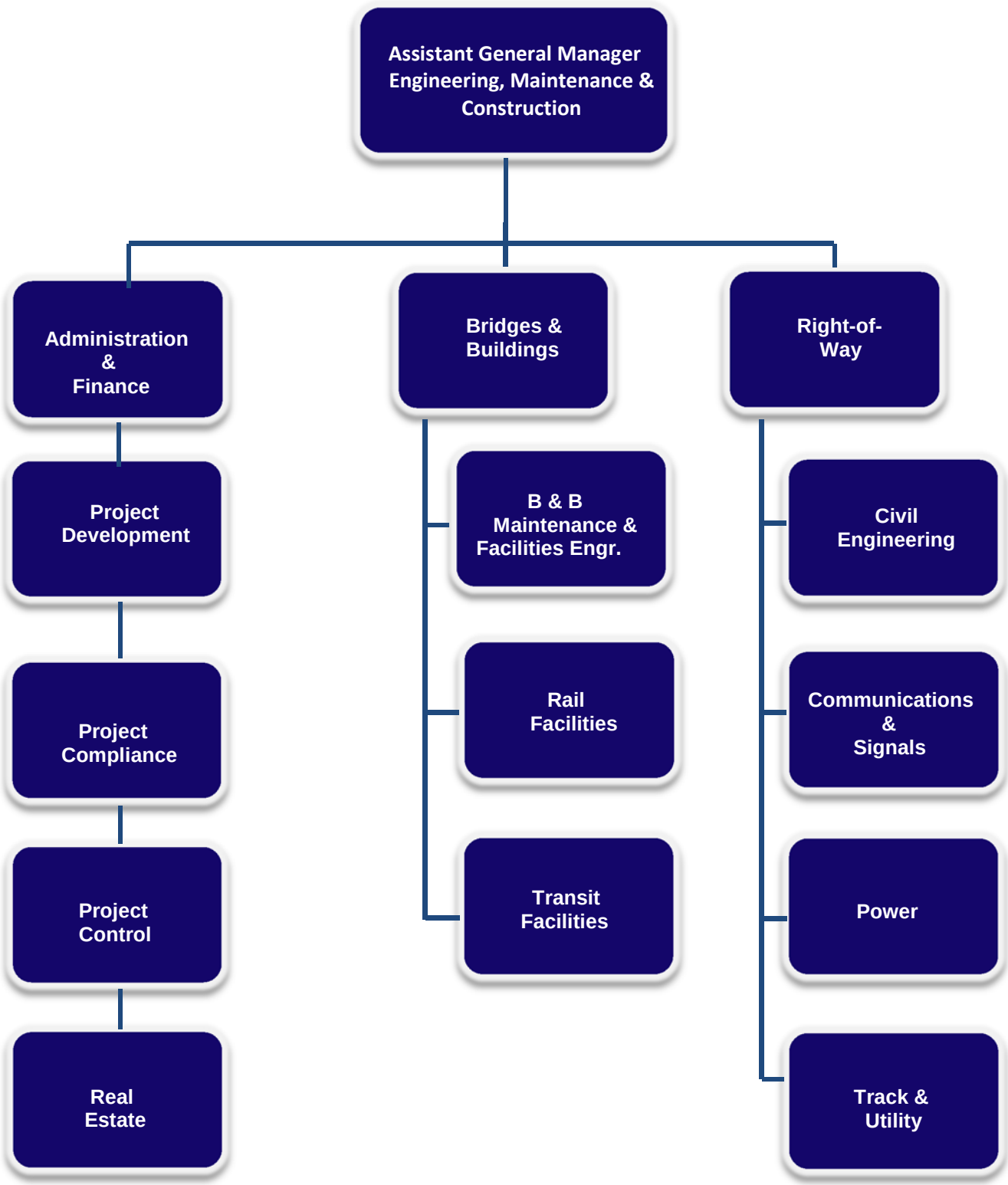
Headcount

	OPERATNG HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration & Finance	3	-	-	3
Bridges & Buildings	63	9	304	376
Civil Engineering	4	1	-	5
Communications & Signals	28	38	143	209
Support Services	16	-	5	21
Power	39	11	130	180
Project Compliance	-	-	-	-
Project Control	-	-	-	-
Project Development	-	-	-	-
Rail Facilities	-	-	-	-
Real Estate	11	4	-	15
Track & Utility	33	6	225	264
Transit Facilities	-	-	-	-
Total Operating Heads	**197**	**69**	**807**	**1,073**

	CAPITAL HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration & Finance	5	-	-	5
Bridges & Buildings	27	1	110	138
Civil Engineering	4	-	-	4
Communications & Signals	15	5	38	58
Support Services	18	-	-	18
Power	21	1	38	60
Project Compliance	2	-	-	2
Project Control	8	-	-	8
Project Development	8	-	-	8
Rail Facilities	12	-	-	12
Real Estate	-	-	-	-
Track & Utility	17	-	122	139
Transit Facilities	13	-	-	13
Total Capital Heads	**150**	**7**	**308**	**465**

	TOTAL HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration & Finance	8	-	-	8
Bridges & Buildings	90	10	414	514
Civil Engineering	8	1	-	9
Communications & Signals	43	43	181	267
Support Services	34	-	5	39
Power	60	12	168	240
Project Compliance	2	-	-	2
Project Control	8	-	-	8
Project Development	8	-	-	8
Rail Facilities	12	-	-	12
Real Estate	11	4	-	15
Track & Utility	50	6	347	403
Transit Facilities	13	-	-	13
Total Operating Heads	**347**	**76**	**1,115**	**1,538**

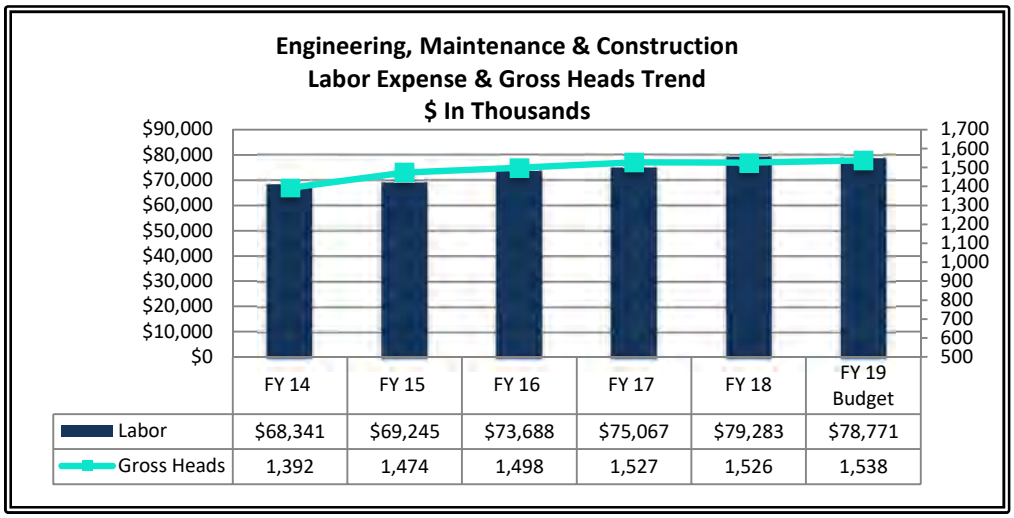
Engineering, Maintenance & Construction

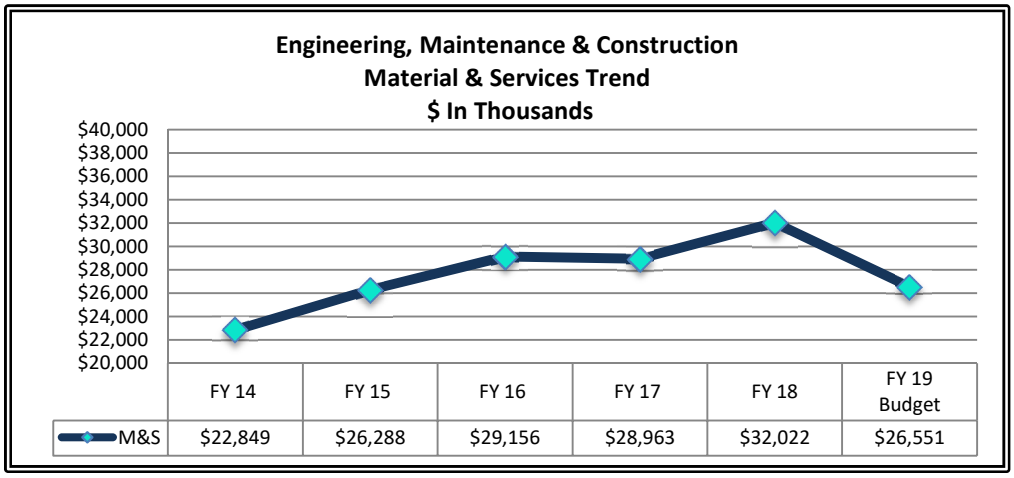


Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration & Finance	$ 486	$ 49	$ 535
Bridges & Buildings	27,790	8,658	36,448
Civil Engineering	308	95	403
Communications & Signals	16,920	2,886	19,806
Power	13,739	1,474	15,213
Project Compliance	–	–	–
Project Control	1	17	18
Project Development	–	–	–
Rail Facilities	–	3	3
Real Estate	914	3,443	4,357
Support Services	1,455	6,565	8,020
Track & Utility	17,107	3,357	20,464
Transit Facilities	51	4	55
Total	**$ 78,771**	**$ 26,551**	**$ 105,322**

Note: Departments with zero dollars are fully funded through the Capital budget.





Note: FY 2018 included unbudgeted facility maintenance costs that are not expected to continue into FY 2019

Principal Responsibilities

ADMINISTRATION & FINANCE
Coordinate and manage the financial and administrative activities for the Engineering, Maintenance & Construction Division. Primary responsibilities include: the division's operating budget; Infrastructure Safety Renewal Program (ISRP) development, analysis and reporting; Human Resource administration; Contract Management; and Asset Maintenance Management System development.

PROJECT DEVELOPMENT
Develop conceptual designs, cost estimates, and Request for Proposal documents for design projects. Manage the awarded design projects through to completion of design phase. Provide cost estimating services for Divisional projects. Manage the coordinated advancement of construction on major projects such as the expansion of the Media/Elwyn Regional Rail line to Wawa.

PROJECT CONTROL
Provide budgeting, cost control, scheduling, claims management, and capital program systems support to project management staff. Responsible for the centralized monitoring and reporting of SEPTA's Capital Spending Program, including the publication of the monthly Fiscal Year Capital Performance Report and the annual Fiscal Year Capital Spending Forecast for the Authority.

PROJECT COMPLIANCE
Provide Quality Assurance/Quality Control and oversight for the capital program. Responsible for the development and implementation of document control procedures and Project/ Construction Management Standards. Also prepares submittals for environmental and historical regulatory approvals.

SUPPORT SERVICES

Support Services manages and supports all of EM&C's external and internal customer service efforts ensuring that all EM&C departments are responsive, aware of, and sensitive to issues affecting customers, neighbors, and stakeholders. Responsible for serving as a liaison with all external and internal customers outside EM&C. Support Services also provides ongoing maintenance of employee locations that have received Facilities Improvement Team (FIT) remodels, ensuring that this substantial investment in workplace quality and morale is continually improved throughout the Authority.

BRIDGES AND BUILDINGS

Bridges and Buildings Maintenance/Facilities Engineering

Provide structural, architectural, and mechanical engineering services. Perform all major force account construction projects and maintenance of stations, buildings, bridges, maintenance shops and electrical/mechanical infrastructure. Perform regular inspection of all bridges, tunnels, buildings, other structures, and fixed plant infrastructure.

Rail Facilities Capital Construction

Manage the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, track, signals, bridges, and parking facilities for railroad operations.

Transit Facilities Capital Construction

Manage the engineering and construction of capital projects for fixed plant facilities, including improvements to stations, maintenance facilities, and garages for transit operations.

RIGHT-OF-WAY

Track and Utility

Perform inspection, maintenance, and reconstruction of track and right-of-way areas. Provide track engineering and design services for all maintenance and renewal projects. Operate Track Shop to support Authority's requirements for routine and specialty track design and fabrication. Operate Midvale Utility Group, which oversees the use of non-revenue and utility vehicles.

Communications and Signals

Perform regular inspection, testing, maintenance, and reconstruction of the signal system. Provide engineering and design services for all signals and communications maintenance and renewal projects. Perform all radio, telecommunications, and railroad communication maintenance. Manage the engineering and construction for capital projects for communication and signals infrastructure.

Power

Perform regular inspection, maintenance, and reconstruction of electric traction and signal power systems and electrical infrastructure. Provide engineering and design services for all related maintenance and renewal projects. Manage engineering and construction for capital projects for power and electrical infrastructure.

Civil Engineering

Provide civil engineering services for all maintenance and renewal projects. Coordinate and provide oversight for public agency, utility, and private work on, over, or adjacent to SEPTA's right-of-ways.

REAL ESTATE

Property Development and Acquisition
This unit within the Real Estate Department manages real property dealings on behalf of the Authority, including carrying-out activities pertaining to the acquisition, development, leasing, and sale of SEPTA-owned properties. Department staff also works with external parties in the joint development of leased properties, undertaking of public improvements, the establishment of revenue generating utility occupancy arrangements, and the transaction of land and facility acquisitions that provide for and support infrastructure and ridership enhancements.

Headquarters' Support Services Management/Administration
This unit oversees office space planning, design and implementation, and day-to-day facilities management (performed by third party contractors) for SEPTA Headquarters at 1234 Market Street. Unit staff acts as liaison with contracted building operations management and SEPTA in-house labor. Coordinating the utilization of pool vehicles and the administration of all contracted vendateria services are also conducted by the staff of this unit.

Asset Management
The key responsibility of the Asset Management unit is the use and maintenance of the Real Estate Management System which stores, organizes, and makes available an electronic version of real property documents, diagrams, and maps. The system can provide a property inventory, automated contract administration cues, and the generation of qualitative and quantitative reports.

Mail and Document Reproduction Services
This unit manages the operation of the mail room and the performance of mail services in compliance with the applicable labor contract and U.S. Postal requirements. Staff also oversee and manage centralized document reproduction services.

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **Rebuilding the System**	a) Control capital project spending by keeping costs within budget. b) Achieve targets for major Capital Project milestones for all Architectural, Engineering and Construction projects. c) Pursue Project Control initiatives and General Engineering Consultant (GEC) contracts. d) Commence, advance, and complete all scheduled Engineering, Maintenance & Construction Division ISRP projects. e) Maintain State of Good Repair database to provide a capital asset inventory and an analysis of capital investment backlog and investment alternatives. f) Advance design and construction projects under Building the Future Program, including new traction power substations, bridge and viaduct replacements/rehabilitations, station improvements, and maintenance facility roof replacements.
II. **Sustainability**	a) Promote cost effective implementation of sustainability projects by incorporating Leadership in Energy and Environmental Design (LEED) and Energy Star design standards while adhering to budgets. b) Manage capital investments to reduce long term utility costs by completing energy efficient lighting improvement projects. Advance Guaranteed Energy Savings Projects (ESCO). Conduct energy audits to determine additional savings opportunities. c) Continue to improve the Authority's recycling program at stations and operating locations. d) Continue to harden infrastructure to combat severe weather. e) Advance Combined Heat and Power (CHP) project.
III. **Safety and Security**	a) Conduct internal and external Safety Days to focus on employee and rider/public safety issues. b) Advance system modernization projects including Media/Sharon Hill PTC, railroad and transit substations, and 30th Street to Arsenal interlocking catenary, signals and interlocking improvements.

GOALS	BUSINESS INITIATIVES
III. **Safety and Security (Cont'd)**	c) Insure ongoing infrastructure maintenance by insuring strict compliance with all mandated standards, agency regulations and internal policies and procedures for rail and transit safety. Regular inspections and preventive maintenance to be performed in accordance with all codes, regulations and Original Equipment Manufacturer recommendations. d) Measure and monitor employee Injuries on Duty (IOD) Lost Time and establish target for future reductions.
IV. **Expand System Capacity**	a) Advance projects that support ridership growth. b) Advance Frazer Shop Expansion to accommodate new locomotives and multi-level coaches, and Elwyn to Wawa Regional Rail service restoration.
V. **Customer Service**	a) Support customer service related operating and maintenance projects including: railroad snow removal, cleanliness of facilities, loops, and stations, maintenance blitzes at multi-modal transportation centers, maintenance to elevators and escalators to meet reliability targets, timely response to Veritas reports/Customer Service issues, and the coordination of maintenance and construction activities to minimize track outages. b) Support customer service related capital projects such as construction at Villanova Station, Levittown Station, and 15th Street.
VI. **New Technologies**	a) Pursue communications-based technological upgrades including wireless delivery of real time service information, cell phone access in SEPTA tunnels, Wi-Fi internet access hotspots, and new asset management software.

GOALS	BUSINESS INITIATIVES
VII. **Human Capital Development**	a) Minimize employee turnover and improve hiring process management. b) Implement and encourage employee training through a Rapid Assimilation Program for new engineers, an elevator/escalator maintenance apprentice program, and full utilization of internal management training seminars. Support the AIM training and succession planning program. c) Assist the Division's Professional Engineers in obtaining continuing education credits required to maintain Pennsylvania licensure. d) Review and update at least 50% of the relevant skills qualification tests administered by the Testing Center.

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Rebuild the system	• Advanced the design of Substation Program; Wayne Junction Static Frequency Converter, and 30th St. West Catenary Replacement. • Completed the rehabilitation of Ambler and Wayne Junction substations
II. Sustainability	• Advanced ESCO Projects • Advanced Combined Heat and Power Project • Advanced Southern Depot stormwater improvements partnering with the Philadelphia Water Department (PWD)
III. Safety and Security	• Advanced the design of grade separated pedestrian access and station improvements at Lawndale Station • Advanced the design of the Fern Rock Pedestrian Grade Separation and Platform Replacement
IV. Expand System Capacity	• Advancing Elwyn to Wawa service restoration project. Construction Notice-to-Proceed issued on March 1, 2018. • Advancing Frazer Shop and Yard Construction – Contract #2 Yard Critical Work. • Completed Frazer Shop and Yard – Contract #1 Site Work
V. Customer Service	• Advancing ADA station improvements at Market-Frankford Line 15th Street and Margaret-Orthodox Stations, and Regional Rail stations at Yardley, Levittown, Exton, Secane, Villanova, Bala, and Wynnefield (all under construction). Completed ADA Station Improvements at 40th St.
VI. New Technologies	• Installing bridge monitoring program on three Media/Elwyn viaducts. • Asset Management Program implemented, and Infrastructure Maintenance Management System came online in Fall 2017. Departmental roll outs continued throughout FY18.
VII. Human Capital Development	• Rapid Assimilation Program for new EM&C management and administration employees • Supervising Hourly Employees Program • Tour de EM&C Program • AIM training program for Assistant Directors



Deputy General Manager/Treasurer

Deputy General Manager/Treasurer Organization Chart

Overview

The Deputy General Manager/Treasurer's Staff includes divisional assistant general managers and department heads who are responsible for various administrative functions that support the operations of the Authority.

The Deputy General Manager/Treasurer's Staff includes six departments that are reported upon in this section, namely Deputy General Manager/Treasurer Administration, Communications, Information Technology, New Payment Technologies, Revenue Operations, and Office of Innovation.

There are five divisions with assistant general managers who report within the Deputy General Manager/Treasurer Administration Department. The divisions they are responsible for include: Audit and Investigative Services, Employee Development/Relations, Finance and Planning, Human Resources, and Procurement, Supply Chain & Disadvantaged Business Enterprise. Details concerning these five divisions are summarized separately within this document.

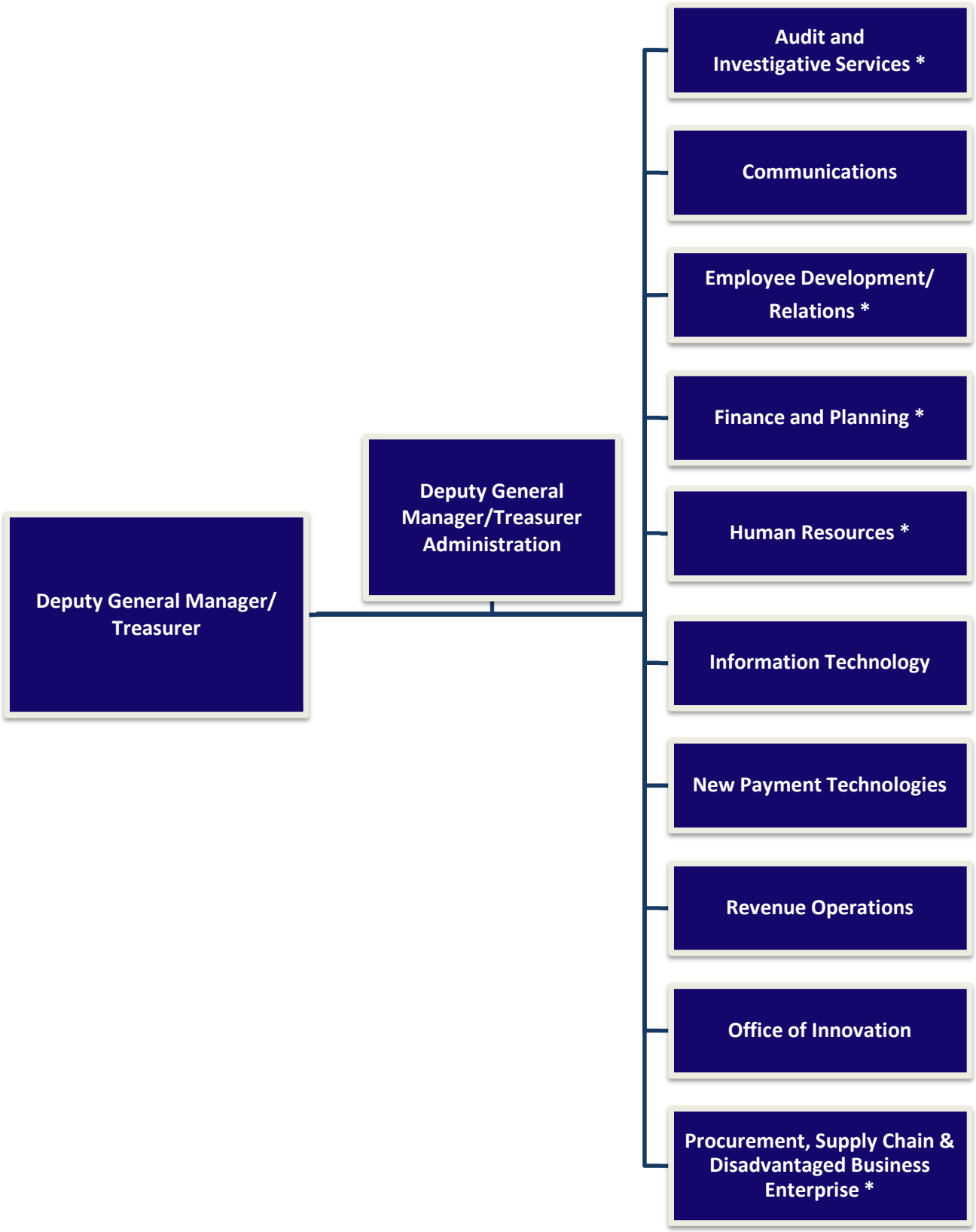
Headcount

OPERATING HEADS				
	Mgmt.	Clerical	Maint.	Total
Administration	9	-	-	9
Communications	10	5	3	18
Information Technology	66	5	-	71
New Payment Technologies	1	-	-	1
Revenue Operations	105	55	48	208
Office of Innovation	5	-	-	5
Total Operating Heads	**196**	**65**	**51**	**312**

CAPITAL HEADS				
	Mgmt.	Clerical	Maint.	Total
Administration	1	-	-	1
Communications	-	-	-	-
Information Technology	-	-	-	-
New Payment Technologies	9	-	-	9
Revenue Operations	-	-	-	-
Office of Innovation	-	-	-	-
Total Capital Heads	**10**	**-**	**-**	**10**

TOTAL HEADS				
	Mgmt.	Clerical	Maint.	Total
Administration	10	-	-	10
Communications	10	5	3	18
Information Technology	66	5	-	71
New Payment Technologies	10	-	-	10
Revenue Operations	105	55	48	208
Office of Innovation	5	-	-	5
Total Heads	**206**	**65**	**51**	**322**

Deputy General Manager/Treasurer Organization Chart



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The Deputy General Manager/Treasurer has five divisions and six departments that are direct reports.
*Indicates divisions which are reported separately in this proposal.

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 1,431	$ 20	$ 1,451
Communications	1,264	876	2,140
Information Technology	6,006	5,837	11,843
New Payment Technologies	119	2,501	2,620
Revenue Operations	13,374	17,299	30,673
Office of Innovation	338	580	918
Total	**$ 22,532**	**$ 27,113**	**$ 49,645**

Principal Responsibilities

COMMUNICATIONS
Responsibilities include internal and external communications, including the development of customer information, brochures, posters and notices, system signage, way-finding information, and maps. Manages the content, graphics, navigation, and editorial content for SEPTA's public website and social media outlets. Develops new customer features and format for public website including real time service information and smart phone apps. Responsible for the redesign and editorial content of the Authority's employee Intranet site and new employee electronic newsletter – SEPTALife. Also responsible for preparing testimony, speeches, articles, General Manager communications and other correspondence. Directs the Art in Transit program and manages Graphics, Printing Services, the Sign Shop, Fulfillment Services and Communications.

Print Services and Sign Shops
Serves as the internal print production operation for all Authority departments. The Print Shop is responsible for printing approximately nine million transit schedules each year as well as customer brochures, posters, leaflets, maps, forms, corporate business cards, and stationery. The Sign Shop is responsible for producing facility and vehicle signs, decals, and banners, including system-wide transit stop signage.

Graphic Services
Provides creative concept, design, layout, and pre-production services for all departments in the Authority for a variety of projects including brochures, leaflets, posters, transit passes, maps, signage, marketing, and sales materials. Responsible for graphic design of SEPTA's Internet and Intranet sites including specialty micro-sites.

Fulfillment Services
Provides direct mail service to customers, internal SEPTA departments and constituents requesting bulk distribution of transit schedules, customer service notices, and other brochures and leaflets produced by the Authority. Manages production contract for schedules not produced internally.

Communications and Website Management
Responsible for all customer and employee communications initiatives, including all SEPTA service and project related information using a variety of tools such as web, video, and social media. This unit is also responsible for the design, content, and management of the SEPTA website and Authority social media tools.

INFORMATION TECHNOLOGY

Emerging & Specialty Technologies
Provides the short and long term strategy, direction, management and implementation of the core enterprise architecture and critical operations systems for the Authority. Manage new technologies and the support of Control Center specialty technology systems, real-time systems and public-facing applications. Responsible for the strategic design and development of advanced web applications to service SEPTA customers.

Project Services
Supports the development, integration, and implementation of new software systems to business units throughout the Authority. Maintains and enhances existing systems Authority-wide. This section responds to application software problems.

Cyber Security
Manages and supports the effort of protecting customer and employee data from intrusion or data breach. Engage cyber security committee meetings with key stakeholders that focus on business applications, enterprise databases, operational systems, and fare collection to ensure protocols and procedures are in place to minimize the threat of intrusions, malware, and data breaches on SEPTA systems. Works with outside agencies and professional affiliations, including law enforcement, to aid in understanding new cyber security risks/threats and determining what remedies are available to protect and minimize the impact.

Infrastructure Services
Provides computer operations stability and access security on a 7-day/24-hour basis including problem management, disaster recovery, technical infrastructure management/support and change control. Maintains the technology infrastructure necessary for business critical systems, including: enterprise e-mail services, internet/intranet access, payroll, materials management, general accounting, operations control centers, disaster recovery and business continuity. Supports SEPTA's enterprise data communication systems and the entire personal computer environment. Sets standards for hardware and software used across the networks and installs, supports and maintains the entire data network infrastructure.

Records Management
Responsible for developing and implementing records management systems throughout the Authority, including record retention schedules, storage, retrieval, digital archiving, and destruction protocols.

NEW PAYMENT TECHNOLOGIES
Directs the multi-phase New Payment Technologies Project to transform SEPTA's aging revenue collection system into a modern, efficient, and convenient system for customer payment and agency collection of fare revenue.

REVENUE OPERATIONS

Revenue Transportation and Collections
Manages the collection, transportation, and deposit of the Authority's passenger revenues and fare instruments for the Transit division.

Revenue Services
Ensures timely processing, counting, and reconciliation of the Authority's passenger revenue, as well as the distribution of fare instruments.

Revenue Equipment Maintenance
Performs preventive maintenance and overhaul of the Authority's fare collection equipment and devices. Provides engineering and design support for the revenue system including specifications, drawings, equipment modifications, and system upgrades.

Revenue Compliance
Ensures that effective controls are in place to safeguard the Authority's revenue and assets.

Railroad Revenue and Parking
Oversees ticket sales, on-board fare collection and parking for the regional rail system. Responsible for managing third party contractors for maintenance on all parking lots and garages. Also, pursue opportunities to expand parking spaces and function as the central coordinator for all parking related issues.

OFFICE OF INNOVATION

Data-Driven Decision Making
Work with business units through the "SEPTA Stat" process to develop, track, and report on Key Performance Indicators that measure progress towards strategic goals and objectives. Consult with those business units to develop forward-looking master plans to better align policies, procedures and practices with SEPTA's Strategic Business Plan and "Building the Future" program.

Corporate Performance Management
Measure progress towards goals and targets pursuant to SEPTA's Strategic Business Plan for Fiscal Years 2015-2019 and its balanced scorecard of corporate Key Performance Indicators. The Key Performance Indicators are tracked and reported on a monthly, quarterly, and annual basis by a core team of representatives from each SEPTA division and then reported to the public through the SEPTA website at ***www.septa.org/strategic-plan***.

Vision-Casting and Employee Engagement
Collaboratively develop forums for communication of SEPTA's strategic priorities to employees. Includes facilitating General Manager Team Site Visits, and quarterly updates to The Roadmap Forward (a digital summary of corporate initiatives underway). Continue to develop PowerPoint presentation content for articulation of SEPTA's strategic priorities and vision for dissemination among stakeholder groups.

Innovation Teams, Including Sustainability
Executing strategic initiatives through the facilitation of collaborative, cross-departmental, multi-disciplinary teams focused on key themes associated with the SEPTA Strategic Business Plan and "Building the Future" program. Key focus areas include: Ridership Growth, Safety Culture, Cyber Security, Procurement, Employee Communications, and Sustainability. For Sustainability, serves as both staff support and subject matter expert, managing key initiatives and updating progress through the SEPTA website at ***www.septa.org/sustain***.

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **Improve Productivity and Cost Effectiveness**	a) Establish Operations and EM&C Metrics Website, including Key Performance Indicator metrics and safety statistics b) Continue to work towards reaching a mutually agreed-upon collective bargaining agreement with unions c) Continue to support SEPTA's sustainability initiatives
II. **Nurture Stakeholder Relationships**	a) Continue to participate and be engaged with initiatives and activities related to the American Public Transportation Association (APTA) and Pennsylvania Public Transportation Association (PPTA)
III. **Implement Initiatives to promote maximum safety and security for our infrastructure, systems and personnel**	a) Identify critical applications and systems and quantify Recovery Time Point Objectives and Recovery Point Objectives b) Harden network and computer infrastructure against cyber-attacks or unauthorized intrusions on all systems connected to the SEPTA Optical Transport Network (OTN).
IV. **Ensure best-in-class service delivery to exceed customer expectations**	a) Complete the Mainframe Integration Suite b) Improve functionality of the Interactive Voice Response (IVR) System c) Implement redundant strategies for critical systems for Operations and customer facing systems d) Replace "Plan My Trip" option with "Trip Planner" on SEPTA's website e) Create direct access link to the Procurement section of the "Doing Business with SEPTA" portion of the Internet to capture vendor questions, concerns, and comments

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Improve Productivity and Cost Effectiveness	• Convened and provided staff support for the Procurement Innovation Team • Achieved SEPTA Board adoption of second-generation Sustainability Program Plan, SEP-TAINABLE 2020 • Managed management consulting tasks to evaluate SEPTA business processes and identify opportunities for improvement • Convened "SEPTA Stat" for performance management and supported divisional master planning efforts associated with the new process
II. Nurture Stakeholder Relationships	• Developed presentation content for GM presentations on SEPTA's strategic priorities among stakeholder groups • Held public open houses to provide feedback on an Energy Action Plan, published pursuant to goals adopted by the SEPTA Board in SEP-TAINABLE 2020 • Participated on City of Philadelphia task forces and working groups, including committees regarding Electric Vehicles, Zero Waste and Litter, SmartCityPHL, and the "Connect" Transportation Plan. • Worked with City of Philadelphia on the launch of a new bus mode – Direct Bus and route service – Boulevard Direct
III. Implement Initiatives to Promote Maximum Safety and Security for Our Infrastructure, Systems and Personnel	• Convened the Safety Culture Innovation Team and Cyber Security Innovation Teams; provided staff support for associated initiatives, such as the Safety Summit and Cyber Security Safety Day • Developed customer information outreach campaign for annual Make the Safe Choice – Safety Day program. Collateral materials including posters, handouts, video, and web game for children all focused on a safety theme • Worked with Transit Police and Information Technology on the launch of the new SEPTA Transit Watch app • Developed video for Human Trafficking Awareness training for all SEPTA employees

FY 2018 Goal	Accomplishments
IV. Ensure Best-in-Class Service Delivery to Exceed Customer Expectations	• Worked with Operations Division on rethinking the interior configuration of the Market-Frankford Line railcars to improve capacity and the customer experience • Continue feature rollout of new SEPTA Key fare program for transit customers including transition from legacy passes and tokens to Key Cards with passes and Travel Wallet, Senior and Reduced Fare Cards. • Launch of expanded retail network and Partner Portal for social service agencies. • Installed over 1,000 station validators and Parking Payment Stations at outer stations and fareline equipment at five Center City stations, in preparation for Regional Rail deployment.
V. Other	• Announced new name and brand – Downtown Link for pedestrian concourse network in Center City. Completed design, fabrication, and installation of signage/wayfinding/maps for Phase 1 of project. Worked with Philadelphia Redevelopment Authority to secure artist Larry Rivers' mural (formerly in the Market East Gallery) for permanent installation in the Concourse.



SEPTA

Finance and Planning

Finance and Planning

Overview

The Finance and Planning Division develops and then monitors results for the Authority's Annual Service Plan, Operating and Capital budgets, and federal, state, and local grants. The Division oversees all financial services and long-term planning activities, including the preparation of monthly and annual financial statements for outside stakeholders as well as the management of advertising contracts.

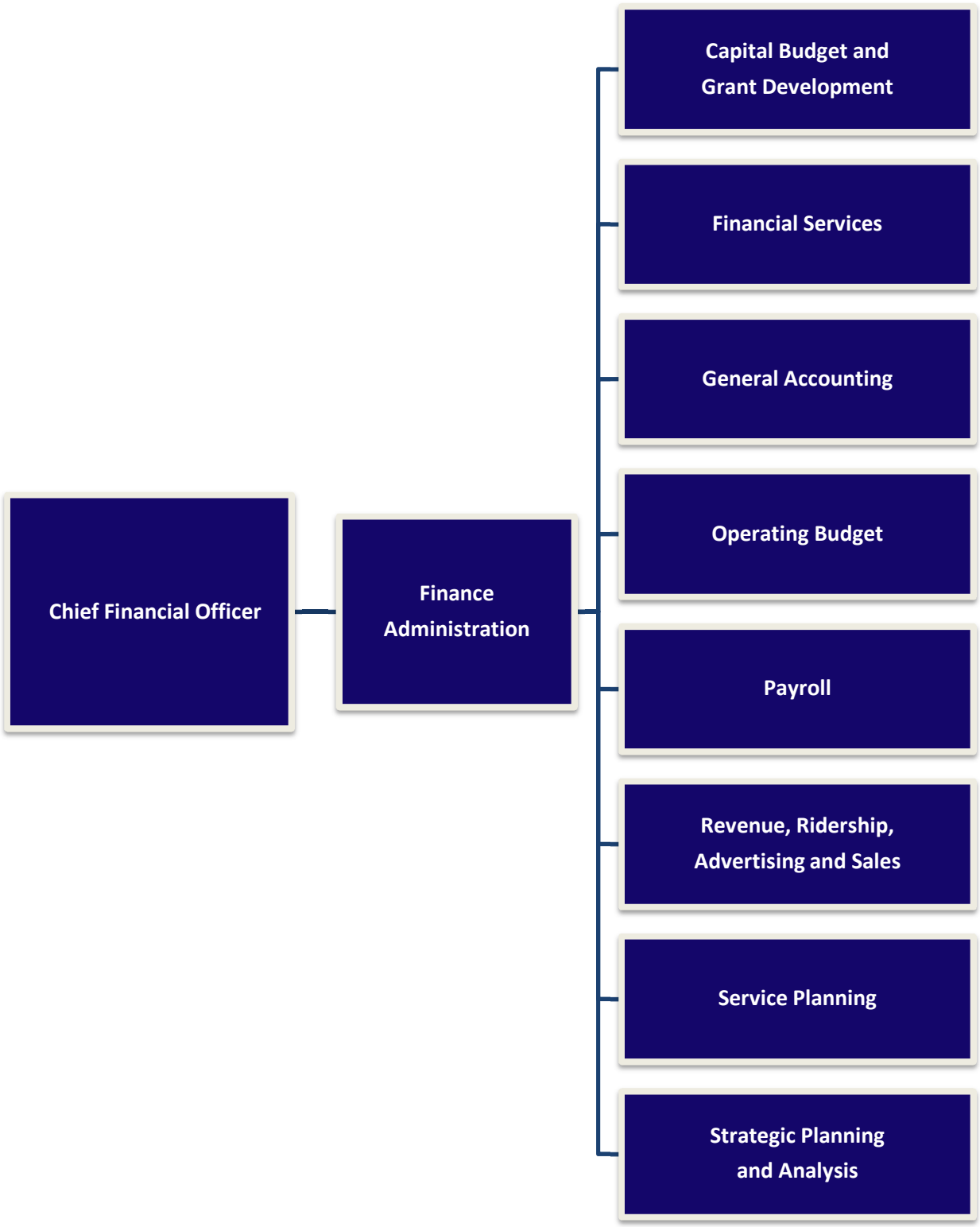
Headcount

	OPERATING HEADS		
	Mgmt.	Clerical	Total
Administration	9	-	9
Capital Budget and Grant Development	6	-	6
Financial Services	25	8	33
General Accounting	9	2	11
Operating Budget	10	-	10
Payroll	3	2	5
Revenue, Ridership, Advertising and Sales	25	27	52
Service Planning	27	15	42
Strategic Planning and Analysis	3	-	3
Total Operating Heads	**117**	**54**	**171**

	CAPITAL HEADS		
	Mgmt.	Clerical	Total
Administration	-	-	-
Capital Budget and Grant Development	2	-	2
Financial Services	-	-	-
General Accounting	-	-	-
Operating Budget	-	-	-
Payroll	-	-	-
Revenue, Ridership, Advertising and Sales	2	-	2
Service Planning	-	-	-
Strategic Planning and Analysis	1	-	1
Total Capital Heads	**5**	**-**	**5**

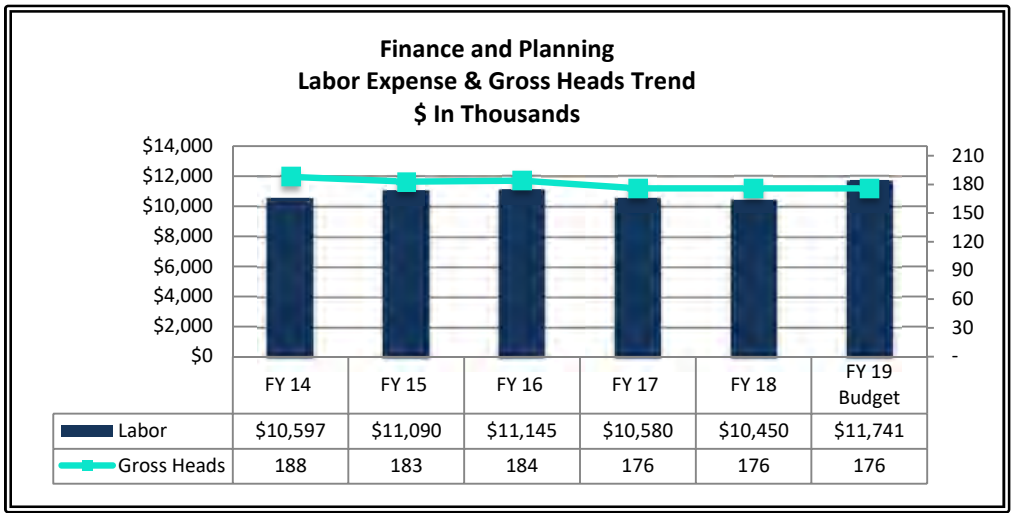
	TOTAL HEADS		
	Mgmt.	Clerical	Total
Administration	9	-	9
Capital Budget and Grant Development	8	-	8
Financial Services	25	8	33
General Accounting	9	2	11
Operating Budget	10	-	10
Payroll	3	2	5
Revenue, Ridership, Advertising and Sales	27	27	54
Service Planning	27	15	42
Strategic Planning and Analysis	4	-	4
Total Heads	**122**	**54**	**176**

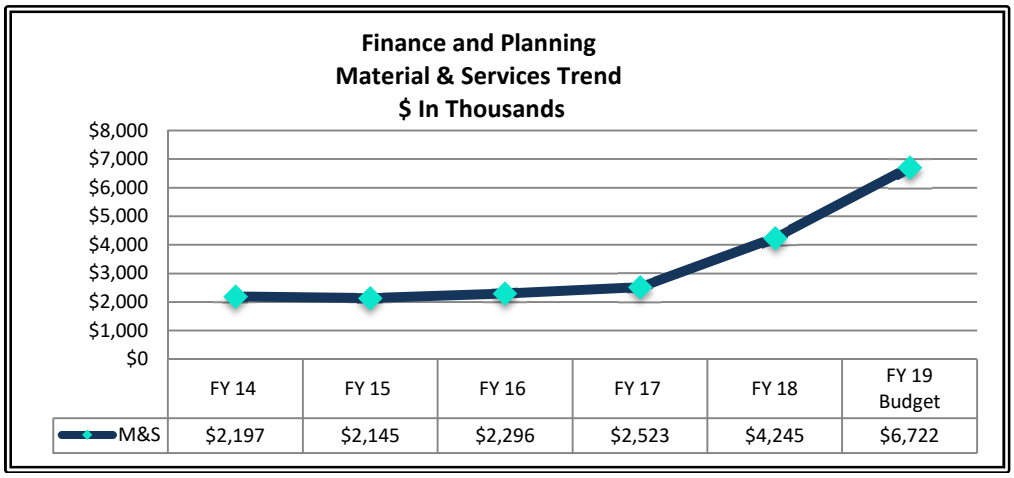
Finance and Planning



Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 1,081	$ 50	$ 1,131
Capital Budget and Grant Development	469	3	472
Financial Services	2,222	699	2,921
General Accounting	758	313	1,071
Operating Budget	791	86	877
Payroll	327	2	329
Revenue, Ridership, Advertising and Sales	3,338	4,124	7,462
Service Planning	2,486	237	2,723
Strategic Planning and Analysis	269	1,208	1,477
Total	**$ 11,741**	**$ 6,722**	**$ 18,463**





Note: FY 2018 and FY 2019 increase is primarily due to a planned initiative in Strategic Planning and Analysis and Service Planning Departments for a Comprehensive Bus Network Redesign Project, which will require outside consultant services. In addition, bank transaction fees are expected to continue to rise in FY 2019 with the increased rollout of the SEPTA Key Card.

Principal Responsibilities

CAPITAL BUDGET and GRANT DEVELOPMENT
Develop the annual Capital Budget and the twelve-year Capital Program. Prepare, maintain, execute, and monitor federal, state, and local grants from inception to grant close-out. Develop transit capital projects for the regional Transportation Improvement Program (TIP). Provide oversight and prepare analyses of the Vehicle Overhaul Program (VOH), Infrastructure Safety Renewal Program (ISRP), and Transit Security Grant Programs. Also responsible for other special grant programs.

FINANCE ADMINISTRATION
Coordinate, manage, and direct the activities of the Finance and Planning Division. Oversee the development and implementation of the operating and capital budgets, strategic business plans and sustainability plan. Manage financial reporting and develop revenue strategies and fare policies. Coordinate all long-range planning and service planning initiatives. Ensure that the Authority's resources are used effectively to maximize capital investments and to maintain access to the capital markets on reasonable terms and conditions.

FINANCIAL SERVICES

Accounts Payable, Accounts Receivable, Billings and Cash Management
Process vendor payments, ensure items processed are correctly recorded, generate all billing invoices, ensure that all receipts due are received and properly applied, and capture and report capital project costs. Provide accurate reporting and maintain accounting controls for operating receivables. Manage the Authority's cash resources to ensure sufficient liquidity while maximizing investment income within a prudent level of risk.

Financing and Pensions
Manage the Authority's debt portfolio to ensure compliance with covenants of indentures and loan agreements and the timely payment of debt service. Analyze potential financing transactions and manage the negotiation and implementation of transactions utilizing public municipal debt markets or private placements and loan agreements. Negotiate pension investment management contracts, manage relationships with pension managers, and act as liaison among pension committee, consultants, and pension managers. Provide oversight of investment options and manager/fund performance of Employee Deferred Compensation Plan 457b assets.

Revenue Accounting, Operating Grants, Accounts Receivable and Fixed Assets
Provide accurate reporting and maintain accounting controls for operating revenues, operating subsidy grants, operating receivables, and fixed assets. Prepare applications and billings for operating and senior citizen subsidies and accounts for capitalization and disposition of grant and non-grant property and related depreciation and contributed capital.

GENERAL ACCOUNTING
Manage the Authority's financial reporting and accounting activities in accordance with generally accepted accounting principles and governmental regulations. Produce timely and accurate financial reports and properly maintain the accounting system and related internal control structure, which includes managing the monthly and annual financial general ledger close process. Prepare and issue monthly financial and statistical reports to the SEPTA Board and senior management. Prepare required quarterly and audited financial reports that are issued to various financial institutions and government agencies that provide debt financing or subsidies to the Authority.

OPERATING BUDGET

Develop a budget plan based upon an evaluation of each department's operating needs in relation to the Authority's overall available resources. Review and modify the consolidated results of all proposals to ensure that projected expenditures are balanced with projected revenues and subsidies. Develop annual operating budget document and multi-year financial forecast. Evaluate proposed financial commitments and personnel requests on an ongoing basis to ensure sufficient funding and adherence to budget. Oversee SEPTA's utility accounts and review and approve utility bills. Conduct monthly analysis to track and forecast financial performance.

Financial Reporting and Systems

Maintain the Management Planning and Control (MPC) software used to produce the annual operating budget at the expense object level and integrate with the mainframe environment. Support and train the departmental users of the budgeting system. Coordinate with Information Technology to produce, maintain and distribute monthly and annual internal financial reports.

Specialized Support Assignments

Provide financial analysis and forecasting for substantive financial issues impacting the Authority including bargaining unit contract negotiations, propulsion power, utilities, fuel contracts and income generating contracts. Provide financial analysis for internal discussions and Board briefings.

PAYROLL

Process Authority payroll in a timely and accurate manner. Ensure that payroll-related data has been balanced and reconciled. Process all wage deductions and tax withholdings. Responsible for reporting of tax withholdings and all quarterly and annual tax returns. Prepares all bargaining unit contractual wage increases. Ultimately responsible for all payroll-related record keeping as well as verifying the reliability of the data.

REVENUE, RIDERSHIP, ADVERTISING AND SALES

Form a centralized leadership capacity to coordinate multifaceted operations including revenue generation via fare media, parking garages, and non-transportation related advertising income. Monitors and officially reports ridership levels and affiliated revenues. Coordinate Finance and Planning Division’s participation in all financial, operational and customer facing aspects to further the advancement of the SEPTA Key Program.

Revenue and Ridership Management

Develop and report monthly ridership and revenue levels. Manage all ridership and revenue data and issue reports as market conditions demand. Issue all required revenue and ridership reports to governmental and ancillary agencies. Manage third party contractors for SEPTA parking garages. Develop and support all passenger revenue pricing and tariffs and matriculate data received from the SEPTA Key Program into the data stream.

Sales

Administers and conducts the sale of all prepaid fare instruments within the SEPTA service area. Manage the daily operation of five full-service sales centers, the Transit Store, and the ***www.shop.septa.org*** web portal. Manages and coordinates sales to over 1,000 external sales venues such as corporate entities, school districts, and retailers. Validates and issues refunds and adjustments for lost rides and fare instruments. Works closely with various teams to ensure the effective transition from legacy fare system to new SEPTA Key media.

Advertising

Responsible for administration of transit and railroad advertising, which includes station naming, bus and railcar exterior wraps, station and interior vehicle train digital screens, and static posters. Responsible for administration of outdoor advertising which includes an extensive static and digital billboard network.

SERVICE PLANNING

Plan and schedule service for City and Suburban operations. Monitor and analyze route performance in accordance with applicable service standards to develop proposals for service improvements. Work with public and private partners to implement improvements to existing service and develop new services. Prepare the Annual Service Plan, which includes the service proposals and annual economic review of all routes. Serve as liaison with city and county planning agencies, municipal governments, and Transportation Management Associations (TMA) regarding service planning issues. Coordinate tariff and public hearing process for all route changes. Manage central transit stop database and Automatic Passenger Counter (APC) data and reporting. Provide Authority-wide Geographical Information Systems (GIS) support.

STRATEGIC PLANNING AND ANALYSIS

The efforts of the Strategic Planning and Analysis Department help SEPTA and the communities it serves to create a shared vision for the future, prioritize capital funding, and provide enhanced service.

Long-Range Planning

Long-range plans emphasize comprehensive analysis of existing systems, ridership trends, and demographic analysis to make strategic investments to serve current and future transit needs. Such long-range plans include studies of rail system expansion, existing facilities improvements to support long-term growth, and analysis of bus service networks.

Municipal and Regional Plan Coordination

SEPTA currently participates in many comprehensive plans, transportation studies, neighborhood plans, streetscape designs, and station area or transit oriented development (TOD) plans. All of these studies impact SEPTA and customers in some manner, from how a roadway functions to envisioning new development at a train station to recommending new or improved service concepts.

Comprehensive Station and Service Analysis

This type of plan enables high-quality, community-supported improvements to SEPTA stations and service. Comprehensive plans look holistically at infrastructure and service, not only to improve the customer experience and increase ridership, but also to identify ways to encourage economic development and improved multi-modal (pedestrian, bicycle, bus, and vehicular) access.

Strategic Business Plan

SEPTA adopted its most recent 5-year Strategic Business Plan in 2014. This plan establishes a vision, mission, core values, and set of corporate objectives for strategy development for the Authority. SEPTA will begin working on an update to the plan shortly, and will be working toward adoption of a new 2020-2024 Strategic Business Plan over the next year.

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **The Customer Experience**	a) Focus on strategic initiatives to improve transit service reliability and route changes to address changing ridership levels b) Continue to nurture stakeholder relationships – periodic briefings with local officials, state officials, federal officials, Citizen Advisory Committee, Youth Advisory Committee, SEPTA Advisory Committee on Accessible Transportation, and other key stakeholder groups c) Complete SEPTA Key rollout for transit and all regional rail stations d) Continue to provide Ambassador support for major events
II. **Employee Development**	a) Proactively improve employee communications b) Continue to invest in workplace improvements
III. **Rebuilding the System**	a) Continue to develop, advance, and seek funding for a 12-year capital program that focuses on achieving a state of good repair b) Complete software upgrade of the Operating Budget financial system c) Purchase software to evaluate bus route proposals and develop strategies to improve bus service throughout its service area.
IV. **SEPTA is a Business**	a) Continue to balance the budget and improve the economic efficiency of business processes b) Provide financial analysis to support labor contract negotiations c) Finalize ridership growth strategic plan and begin to implement initiatives through innovation team, with regular updates to General Manager team d) Increase capacity of system in key growth areas and align additional parking capacity with regional transportation needs e) Leverage investments to maximize ridership growth f) Develop long-range plans to prioritize future system improvement and expansion opportunities g) Advance Request for Proposals (RFP) for Comprehensive Bus Network Redesign (CBNR) h) Support efforts to reduce downtown congestion partnering with the City of Philadelphia and Center City District on innovative solutions i) Pursue innovative financing techniques to advance state of good repair and other core capacity initiatives

V. **Safety as the Foundation**	a) Advance capital projects with safety as a key objective b) Continue implementation of employee-focused safety and security campaigns

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. The Customer Experience	• Implemented numerous route running time adjustments and headway improvements to increase system wide on-time performance. Implemented all new "Boulevard Direct" bus service in partnership with the City of Philadelphia, to reduce customer travel time and attract new transit customers along Roosevelt Boulevard. • Many employees served as SEPTA Ambassadors at various events, including the 2018 Philadelphia Flower Show, Eagles Championship Parade, etc. • Launched TransPass and Travel Wallet Sales options for SEPTA Key and adjusted policy for use of Quick Trips. • Initiated launch of the External Retail Network in February 2018 with full implementation expected by Summer 2018. • Accelerated the distribution of Senior and Disabled Fare Cards. • Instituted Agency Disposable Smart Media (DSM) partners portal in February 2018 with initial agencies registering and placing orders. Briefings were held to educate and receive feedback from agencies on various elements of the system. • Prepared for the introduction of the Partner Portal to support Corporate Key Card Sales. • SEPTA completed the Alternative Analysis and Draft Environmental Impact Statement (DEIS) for the King of Prussia Rail Project. The King of Prussia Rail Project is an extension of the Norristown High Speed Line to the King of Prussia area in Upper Merion Township, serving the King of Prussia Mall, Business Park and residential communities of this part of the region. The DEIS document was released in October 2017, and SEPTA Board adopted the Locally Preferred Alternative in January 2018. Work on the Final Environmental Impact Statement has begun, and will continue through 2019.
II. Workplace Development and Support	• Developed partnerships with community groups, business associations, transportation agencies, and other stakeholders to evaluate opportunities to serve new markets.

FY 2018 Goal	Accomplishments
III. Rebuilding the System	• Consistent with SEPTA's mandate to seek alternative sources of revenue in support of transit operations, multiple digital screen programs were introduced to partially offset static advertising. The screens enable continuous streaming of SEPTA service information on a small portion of the screens, while rotating advertising, weather and news on the majority of the screen. The program for "Urban Panels", located near subway/elevated entrances, was fully expanded to fifty (50) 55" digital screens. The pilot program for Station Information Kiosks began in March 2018 at three high volume stations. Pending the outcome of the pilot, expansion is slated for almost every rail station throughout the service area, consisting of up to 300 Station Information Kiosks. The delivery of new buses equipped with 2 digital screens and Wi-Fi capability began in July 2017. There are a total of 525 buses ordered (1,050 screens), with complete delivery expected by the year 2021. • Secured Board adoption of a balanced comprehensive twelve year capital program.
IV. SEPTA is a Business	• Continue to implement the Five-Year Strategic Business Plan. • Organized a steering committee for the Ridership Growth Strategic Plan. A strategic plan has been drafted and working groups are currently being developed to actively pursue strategies to grow ridership. • SEPTA's second Guaranteed Energy Savings Agreement (GESA) and related financing agreement were executed in November 2016. The GESA contract, with an Energy Service Company (ESCO), provides for the design, construction, and future operation and maintenance of a Combined Heat and Power (CHP) generator near SEPTA's Midvale Depot. Additional Energy Conservation Measures (ECMs) to be completed as part of the project include LED lighting at Midvale, Liberty Yard, and Roberts Yard. The total cost for this project is $35.9 million and guaranteed energy savings will be used to pay the debt service and other annual costs associated with the project. This project is expected to be completed in the Spring of 2019.

FY 2018 Goal		Accomplishments
IV.	**SEPTA is a Business (Cont'd)**	• Participated in numerous comprehensive long-range plans involving SEPTA assets throughout the region, including the DVRPC 2045 Connection Plan, the City of Philadelphia Connect Plan, City of Philadelphia District Plans, County Comprehensive Plans, and local municipality comprehensive and station area planning. Plans identify Greater Philadelphia's vision for land use, the equipment, economic development, equity, and transportation. • In October 2017, SEPTA completed two advance refunding municipal bond transactions. In the first transaction, completed on October 11, 2017, SEPTA advance refunded $65.8 million of its Series 2010, PTAF secured bonds, and issued $59.9 million of new bonds, generating $6.5 million in net present value cost savings. In the second transaction, completed on October 19, 2017, SEPTA advance refunded $110.5 million of its Series 2011 GARVEE bonds, which are secured by Federal Section 5337 funding, and issued $102.3 million of new bonds, generating $9.5 million in net present value cost savings. Overall, the net present value cost savings SEPTA generated by completing these advance refunding transactions totaled $16 million.
V.	**Safety and Security as the Foundation**	• Provided planning and schedule support for rail shuttle operations during reconstruction projects, for example the Southwest Connection Improvement Program and the Woodland Avenue bridge replacement project. • SEPTA was selected to receive a $5.8 million grant award from the Federal Transit Administration (FTA) to advance the following safety projects totaling $7.25 million: 1) Installation of Positive Train Control (PTC) on a 3-mile segment of the Media-Elwyn Regional Rail Line that is in the process of being restored for service. Elwyn Station has been the line's terminus since 1986, but significant development and increased traffic have warranted the restoration of service beyond Elwyn to a new station in Wawa, Delaware County. This station will provide new connections to jobs, housing, businesses, health care, and various social services. Installing PTC on this line is imperative for the safety of the riders who will enjoy this new access point. 2) Add an onboard survey map to the ACSES II system on SEPTA's Regional Rail vehicles. The project will enhance SEPTA's PTC system by eliminating a single point of failure and providing redundancy in the system. This project will benefit the existing 130,000 daily SEPTA Regional Rail riders and has the potential to impact all riders along the Northeast Corridor from Washington, D.C. to Boston, Massachusetts.

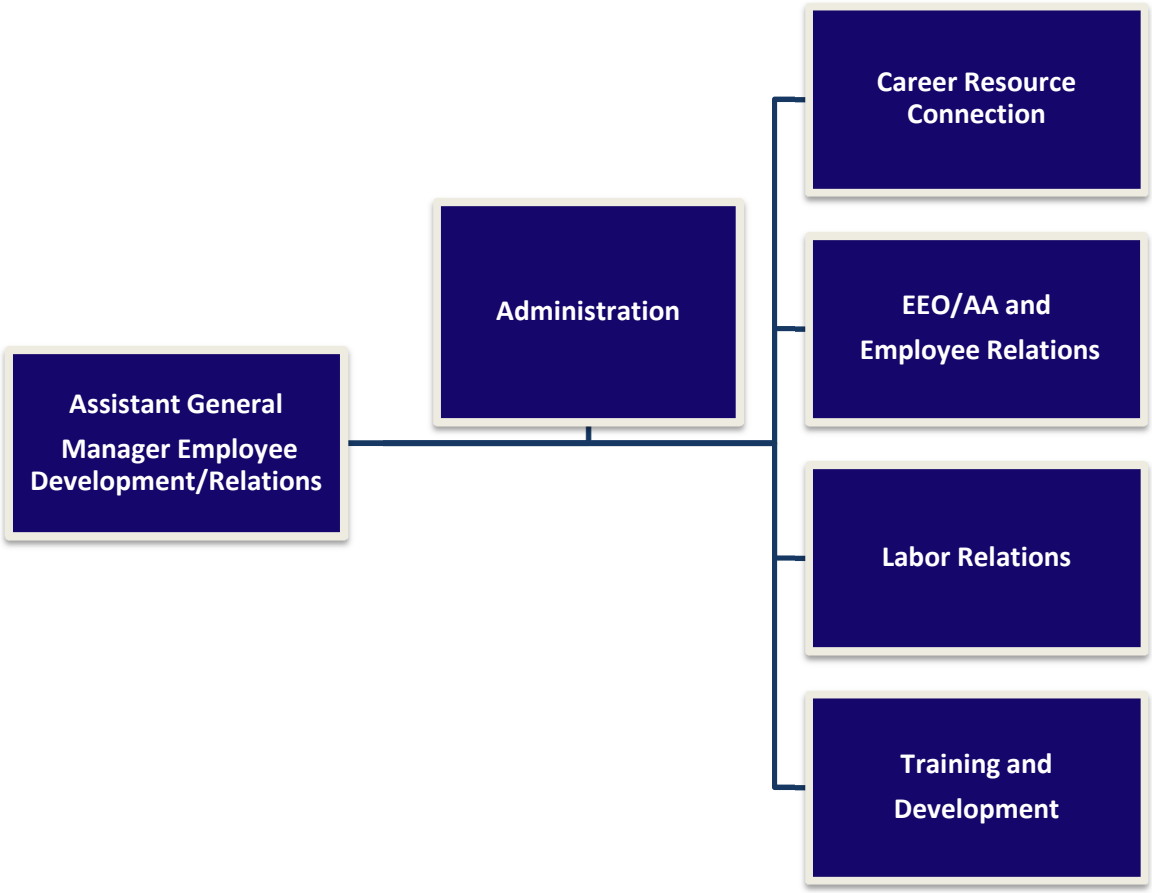
SEPTA

Employee Development/Relations

Employee Development/Relations

Overview

This business unit was newly created in Fiscal Year 2017 with a focus on training, personnel development and employee relations for our administrative, management and bargaining unit employees.



Headcount

	OPERATING HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration	5	-	-	4
Career Resource Connection	1	-	-	1
EEO/AA and Employee Relations	6	-	-	6
Labor Relations	9	-	5	14
Training and Development	103	-	-	103
Total Operating Heads	**124**	**-**	**5**	**129**

Employee Development/Relations

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 835	$ -	$ 835
Career Resource Connection	61	60	121
EEO/AA and Employee Relations	508	14	522
Labor Relations	1,160	240	1,400
Training and Development	8,435	702	9,137
Total	**$ 10,999**	**$ 1,016**	**$ 12,015**

Principal Responsibilities

CAREER RESOURCE CONNECTION
Serves as a central point of contact for candidates during the recruiting process while offering administrative support to the Recruitment Department. This includes administering testing for those seeking employment with SEPTA as well as current employees pursuing positions that require a set level of competency.

EQUAL EMPLOYMENT OPPORTUNITY / AFFIRMATIVE ACTION / TITLE VI AND EMPLOYEE RELATIONS (EEO/AA&ER)
Implements and promotes the Authority's EEO/AA Program to address the needs of an increasingly diverse workplace. Responds to complaints of discrimination/harassment filed internally and externally. Ensures compliance with SEPTA's EEO/AA Policies and the Federal Transit Administration's (FTA) regulations. Handles a wide variety of employee relations issues.

LABOR RELATIONS
Conducts all labor negotiations with the bargaining units, handles all grievances, arbitrations, unemployment claims, and Labor Board cases.

Negotiations
Serves as lead negotiator for all labor agreements with the Authority's collective bargaining units in accordance with State and Federal Laws.

Grievances, Arbitrations and Special Board of Adjustment (SBAs)
Hears all third level and Labor Relations step grievances and represents the Authority in all arbitrations, Special Board of Adjustment (SBA) appeals, and related litigation. Serves as primary liaison with all attorneys retained on special arbitration cases or other litigation.

Case Presentation to the Pennsylvania Labor Relations Board (PLRB)
Prepares and presents all cases associated with the PLRB as they are filed by bargaining units and the Authority.

Job Classification/Wage Administration
Directs preparation of new and revised job descriptions for hourly classification and coordinates evaluations of bargaining unit positions and negotiates job restructuring and classification issues. Prepares and publishes all bargaining unit and non-supervisory wage rate manuals.

Contract Training
Conducts relevant training of supervisors in bargaining unit contract interpretation and enforcement.

Joint Labor Management Relations
Conducts joint productivity meetings with labor representatives to promote the safe, efficient, and economical operation of the Authority.

Unemployment Compensation
Directs all internal Unemployment Compensation activities, including administration of all claims and representations of Authority positions in hearings and appeals.

TRAINING AND DEVELOPMENT
Provides training programs to improve employee performance, teach new skills, or retrain employees as required to ensure that the work force has a comprehensive understanding of regulations, procedures, policies, and skills to perform their assigned duties. Responsible for the highest quality training and follow-up recertification programs for transportation, maintenance, and management employees.

Fiscal Year 2019 Goals and Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **Implement a Succession Planning Process**	a) Establish executive level curriculum to replace Advancing Internal Management (AIM) program b) Develop and launch expanded 1st Level Supervisor's program c) Conduct lessons learned review of AIM for Assistant Directors d) Support multi-transit agency Leadership Exchange Development Program (LEAD)
II. **Provide Leadership for Human Capital Development**	a) Complete second session of management transition program (AIM and Assistant Director) for developing first to second level transportation and SAM managers b) Review training needs throughout the Authority c) Develop a curriculum that aligns with the succession plan's key positions leadership competency gaps d) Continue implementation of Management Development Training Programs e) Minimize labor and training costs by implementing simulators in engineer/conductor and rail transit training programs f) Develop programs to support career development/equal employment opportunities g) Continue tuition reimbursement program counseling in fields of study appropriate for career opportunities at SEPTA

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Provide Leadership for Human Capital Development	• Continued to institute five day 1st level supervisor's program. • Participated in multi-transit agency Leadership Exchange Development Program (LEAD). • Women in the Trades program launched.
II. Other Accomplishments	• Developed and launched Key training for customer attendants. • Trained over 1,300 employees (conductors, engineers, supervisors, dispatchers, and roadway workers) to support Positive Train Control (PTC) system operation and regulation. • Developed new training plan to accommodate larger and more frequent classes of new Regional Rail locomotive engineers and conductors. • Designed computer based signal tutorial for Market-Frankford and Broad Street Lines. • Installed railroad training simulators for Silverliner V railcars and diesel and electric locomotives. • Continued to work towards reaching a mutually agreed-upon collective bargaining agreement with bargaining units with unsettled contracts. • Improved security and operational efficiency of testing function by leveraging technology.

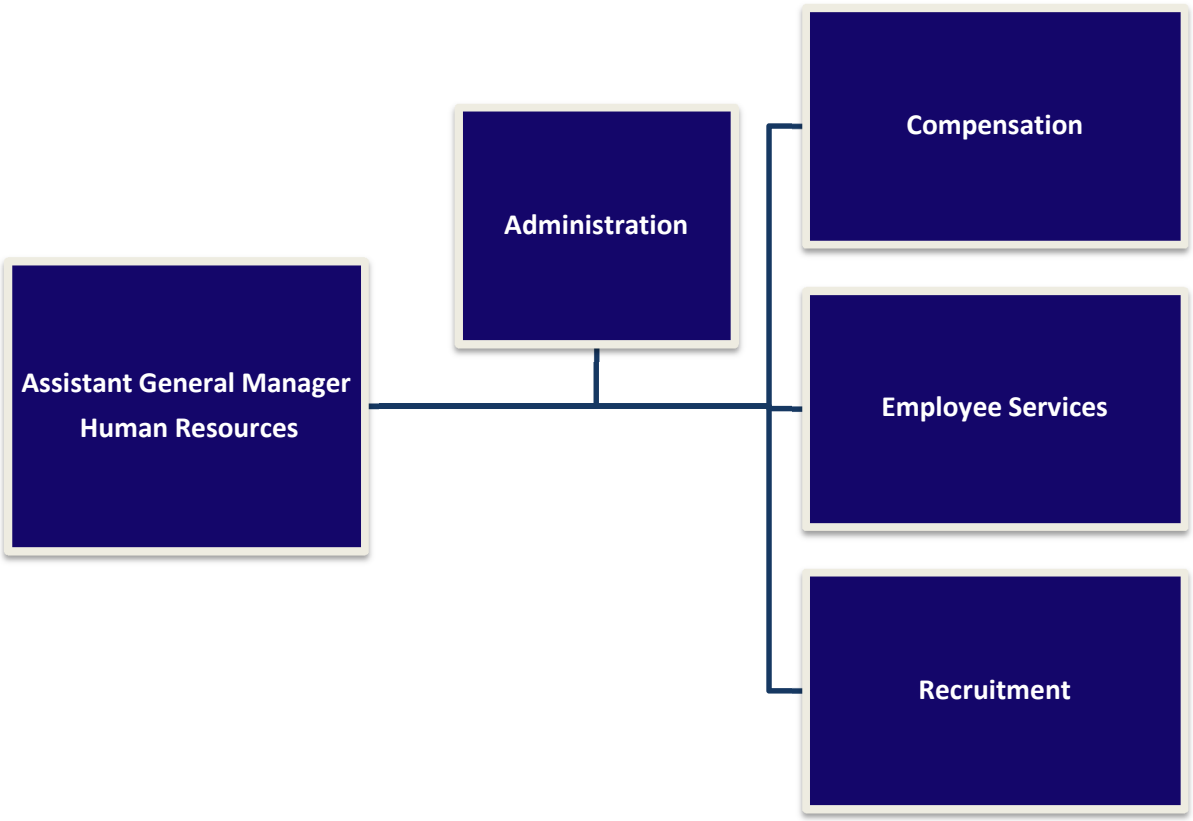
SEPTA

Human Resources

Human Resources

Overview

The Human Resources Division provides recruitment and talent management, cost effective benefits and pension programs, handles salary administration and the human resources information systems, management of Authority policies and divisional budget, as well as directing the medical department and related programs. The Division is charged with recruiting new employees and helping them assimilate, grow, learn and remain productive assets to the Authority. Support is sustained from the onset of initial interest in the Authority, until long after their departure from employment.

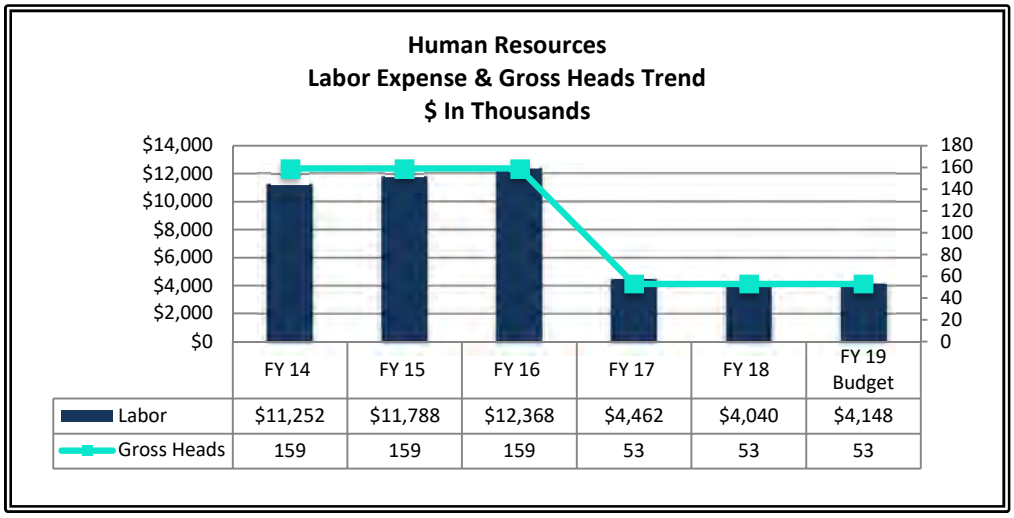


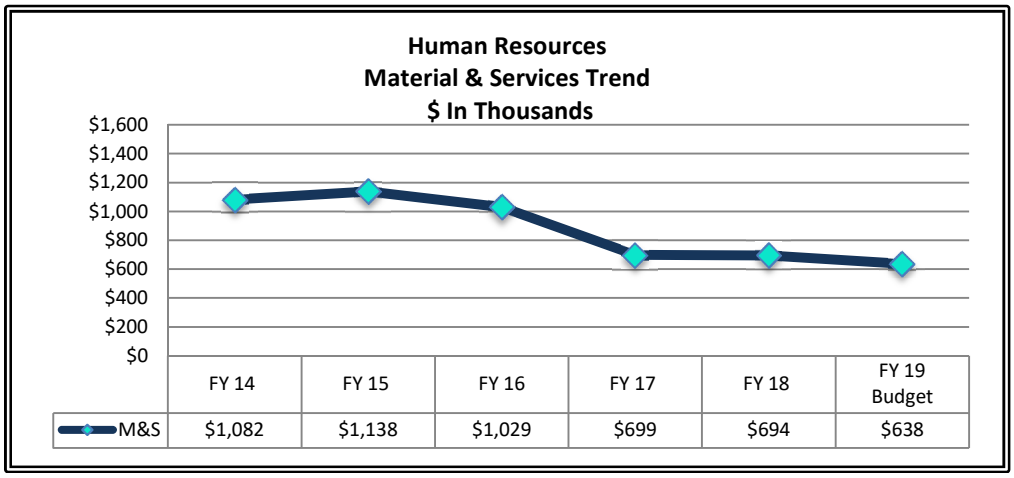
Headcount

	OPERATING HEADS		
	Mgmt.	Clerical	Total
Administration	5	-	5
Compensation	4	4	8
Employee Services	16	13	29
Recruitment	11	-	11
Total Operating Heads	**36**	**17**	**53**

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 602	$ 6	$ 608
Compensation	489	45	534
Employee Services	2,199	347	2,546
Recruitment	858	240	1,098
Total	**$ 4,148**	**$ 638**	**$ 4,786**





Note: Human Resources was re-structured in FY 2017, resulting in the creation of a new division: Employee Development/Relations.

Principal Responsibilities

HUMAN RESOURCES TEAM

The Authority's dynamic business environment requires that Human Resources be responsive by developing and implementing employee initiatives that support the business strategy.

EMPLOYEE SERVICES

Medical

Conduct drug and alcohol testing in accordance with Authority policy and U.S. Department of Transportation regulations. Responsible for conducting medical examinations for fitness for duty, new hire physicals, medical surveillance programs (i.e. PCBs, asbestos), hearing conservation, etc. as required by the Authority. Administer the Employee Assistance Program (EAP) for all employees and their dependents. Manage the Wellness Program, Family & Medical Leave Act (FMLA) program, and medical case management.

Benefits

Design, negotiate and administer the benefits program, including medical, dental, prescription drug, life insurance, long term disability, supplemental insurance, COBRA, pension, deferred compensation (457b Plan), supplemental voluntary benefits, and flexible benefits programs for 30,000 individuals, including employees, retirees and families. Conducts benefit orientations and information sessions concerning all employee benefit programs.

Compensation/Human Resources Information Systems

Develop, communicate and administer the compensation program for supervisory, administrative and management employees. Update information, monitor and train employees on the use of the Human Resource Information System (HRIS). Maintain files for 9,400 employees and evaluate salaried positions, utilizing the Hay Evaluation System.

Project Management and Organization Effectiveness

Develop initiatives throughout the Authority to improve quality, service and efficiency. These projects are designed to effectuate positive change in a corporate culture through best practices, strategies and new work processes. Develop, maintain, and communicate policies and updates to all employees.

RECRUITMENT AND TALENT MANAGEMENT

Direct and manage recruitment, hiring and transferring of a qualified and competent workforce ensuring equal opportunities by applying controls and compliance to applicable laws throughout the recruitment and hiring process. Continue to assure communication, documentation and a fair selection process in filling Authority vacancies.

Fiscal Year 2019 Goals and Business Initiatives

GOALS	BUSINESS INITATIVES
I. **Implementation of Benefit Changes**	a) SharePoint to be expanded to include health and welfare, pension benefits and employment data and records.
II. **Continue Ongoing Wellness Program Initiatives**	a) Work with vendor to expand Wellness Coach Program at different locations. b) Continue implementation of sleep apnea program within the Regional Rail Division.
III. **Development and Updating of Systems**	a) Integrate Performance Management System as part of the Human Resources IT Systems Review Scope. b) New pension system in Beta testing. Calculations to be created in new system, expand SharePoint to incorporate benefits and employment information. c) Work with consultant in development of next generation Employment Applicant Tracking Software.
IV. **Development of Workforce Pipeline**	a) Develop a strategy to build partnerships with external workforce development organizations. b) Continue to explore expansion of the Philadelphia Teacher School District externship program.
V. **Market SEPTA as an Employer of Choice**	a) Promote Human Resources Division branding of “It’s Your Move” in advertisements to attract job applicants b) Social Media messaging listing specific SEPTA jobs c) Implement New Employee Orientation program, including: welcome letter, employee welcome book, new employee orientation portal, and improved first day experience.

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Expand and Strengthen the Authority's Stakeholder Network	• Launched SharePoint automated employee requisition process. An improvement of existing process by being more transparent, accessible and timely. All Recruitment and Talent Management staff trained in SharePoint. Requisition process is 100% digitalized and job offer process is in development. • Expanded list of screening questions in Career Resource Center (CRC) digital testing system. Enhanced review of job postings.
II. Provide Leadership for Divisional Replacement Planning	• Moved some interview locations off-site of headquarters. Railroad interviews now taking place at Suburban Station. • Expanded interviews into the Career Resources Center.
III. Reinforce Customer Service Authority-Wide	• Participated in a variety of customer initiatives including operations support for Flower Show, Eagles Championship parade and Philabundance.
IV. Expand the Employee Wellness Program	• Implemented initiatives to improve employee health including: Weight Watchers @ Work, on-site health and wellness activities, dietician advisory, Farm to SEPTA, walking programs, prevention and management programs, and Intranet health and wellness classes.
V. Development and Updating of Systems	• Rolled out new employee passes to all 9,500 SEPTA employees. All passes successfully activated according to access guidelines and implementation of new computerized accessibility systems.
VI. Implementation of Benefit Changes	• Increased management and certain union pension contributions per negotiated agreements. • Implemented higher medical and prescription drug copays, stronger prior authorization controls and eliminated costly drug compounding.



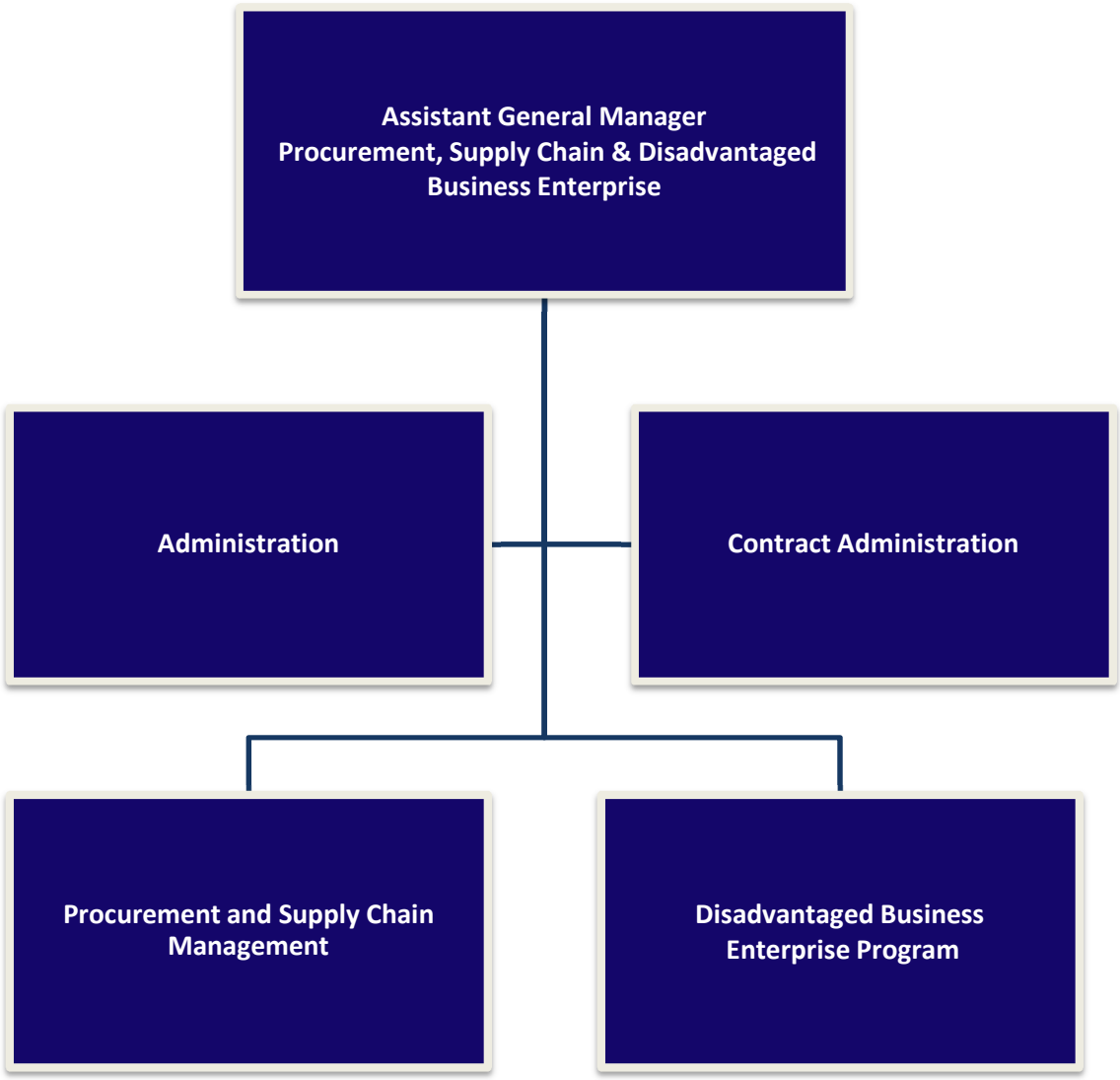
SEPTA

Procurement, Supply Chain & Disadvantaged Business Enterprise

Procurement, Supply Chain & DBE

Overview

The Procurement, Supply Chain & Disadvantaged Business Enterprise (PSC & DBE) Division is responsible for SEPTA's procurement, materials management, compliance and quality assurance, supply chain management, contract administration, and disadvantaged business enterprise programs.



Headcount

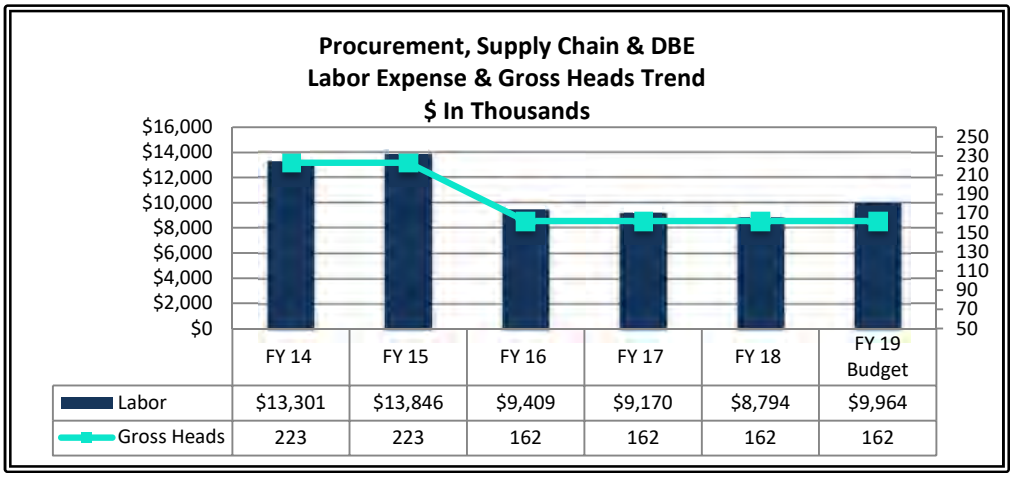
	OPERATING HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration	5	-	-	5
Contract Administration	16	-	-	16
Disadvantaged Business Enterprise Program	4	-	-	4
Procurement & Supply Chain Management	60	59	3	122
Total Operating Heads	**85**	**59**	**3**	**147**

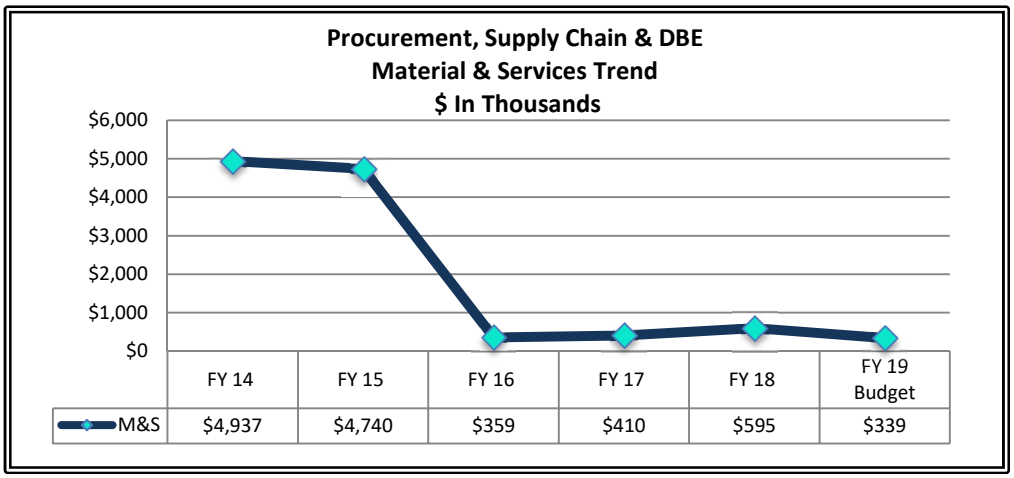
	CAPITAL HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration	-	-	-	-
Contract Administration	-	-	-	-
Disadvantaged Business Enterprise Program	5	-	-	5
Procurement & Supply Chain Management	8	2	-	10
Total Capital Heads	**13**	**2**	**-**	**15**

	TOTAL HEADS			
	Mgmt.	Clerical	Maint.	Total
Administration	5	-	-	5
Contract Administration	16	-	-	16
Disadvantaged Business Enterprise Program	9	-	-	9
Procurement & Supply Chain Management	68	61	3	132
Total Heads	**98**	**61**	**3**	**162**

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 582	$ 15	$ 597
Contract Administration	1,257	27	1,284
Disadvantaged Business Enterprise Program	286	32	318
Procurement & Supply Chain Management	7,839	265	8,104
Total	**$ 9,964**	**$ 339**	**$ 10,303**





Note: Information Technology Department transferred from the Division in FY 2016.

Principal Responsibilities

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Compliance and Quality Assurance
Provide coordination and enforcement of SEPTA's compliance with Federal, State, and Local funding agency regulations for approved capital projects, planning studies, and other non-operating projects. Participate in updating standard form contracts, the procurement manual and related policy instructions. Provide analytical reports, system administration, enhancements, contract processing, records management, and training support for the department. Audit procurement packages pertaining to the Authority's purchasing process and funding regulations. Monitor Certified Payrolls for all SEPTA construction projects in accordance with the Davis-Bacon and related acts. Administer Authority-wide programs such as e-procurement, electronic stockless stationery, Procurement Card, and the Materials Management/Purchasing system.

Materials Management (Automotive & Rail)
Perform analysis, forecasting, and identification of inventory needs to determine adequate stocking levels to effectively purchase/lease stock and non-stock rail and vehicle parts, material, equipment, supplies, and services utilized by SEPTA, except for major vehicle procurements. Provide direct field support to maintenance directors and shop personnel. Coordinate Authority-wide inventory reduction and control programs. Maximize return on investment through Asset Recovery programs and long term, market-based scrap metal contracts. Perform inventory requirements planning for vehicle overhaul programs and various maintenance projects.

Materials Management (Infrastructure)
Perform analysis, forecasting, and identification of inventory needs to determine adequate stocking levels to effectively purchase/lease stock and non-stock infrastructure, material, equipment, supplies, and services utilized by SEPTA. Provide direct field support to maintenance directors and shop personnel. Perform requirements planning for various capital project programs and various maintenance projects.

Supply Chain Management
Plan and coordinate inventory requirements with all Operations areas to meet short and long-term material needs. Administer storeroom operations, warehousing and distribution functions, including receipt, storage, issue and control of all stock materials for the Authority's diversified fleet of vehicles, for vehicle overhaul programs and for infrastructure maintenance requirements.

CONTRACT ADMINISTRATION

Administer contracts by overseeing contractors to fulfill contractual obligations. Perform solicitations, contract awards, and post-award administration including change orders, dispute resolution and contract closeout.

Construction and Vehicle Acquisition
Perform procurement and administration of project-specific architectural, engineering and associated construction-related services, new construction, and renovations of the Authority's facilities and structures. Responsible for solicitation, award and administration of large scale new construction projects as a result of Act 89 funding, infrastructure hardening and resiliency programs, as well as major equipment purchases.

Professional and Technical Services
Procure and administer revenue producing vehicles (buses and rail cars), employee benefits, insurance and associated passenger services such as paratransit and fixed route. Solicit, award, and administer professional services contracts including state and federal legislative services, advertising, brokers and lease and management services. Also includes technical services such as landscaping, janitorial, IT support and maintenance services and pest extermination.

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM OFFICE (DBEPO)

Disadvantaged Business Enterprise (DBE) Certification
Participates as one of five principal certifying agencies within the Commonwealth of Pennsylvania to provide one-stop shopping for firms seeking certification as a Disadvantaged Business Enterprise (DBE) in accordance with 49 CFR Parts 26 and 23. Also represents the Authority as a managing member of the Commonwealth of Pennsylvania's Unified Certification Program (PA UCP).

Small Business Enterprise (SBE) Program
Administers the Small Business Enterprise Program to meaningfully involve small business concerns in the Authority's procurement and contracting activities towards increasing the race-neutral portion of the Authority's overall DBE goal.

DBE Compliance
Reviews solicitations to ensure the meaningful involvement of DBE firms in the Authority's procurement and contracting activities; establish goals for applicable projects, evaluates bid/proposal submissions for adherence to DBE requirements, monitors projects for DBE goal achievement, and ensures equitable treatment of DBE firms performing on contracts.

DBE Program Outreach
Provides technical assistance, guidance, and resources to all small businesses interested in pursuing contracting opportunities; coordinates internal and external outreach events; facilitates workshops and networking events for majority prime contractors, DBEs, and SBEs.

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **The Customer Experience**	a) Ensure inventory accuracy of 95% or better. b) Continue to develop relationships with small business advocacy organizations and development centers with the focus of providing support for small businesses to compete on projects. c) Continue to disseminate project/outreach related opportunities via E-Blasts d) Maintain the monthly average of the number of vehicles out of service due to material availability issues to less than 10 per month.
II. **Workforce Development and Support**	a) Improve professionalism and quality of departmental performance: enhance the support desk experience for staff, ensure quick turnaround time for staff requests, and continue to build and maintain relationships with peers throughout the organization. b) Conduct ongoing procurement training sessions. c) Expand use of web based training programs.
III. **Rebuilding the System**	a) Analyze and study feasibility of new blanket contracts or group purchases. b) Expedite process for change orders similar to task order process.
IV. **SEPTA is a Business**	a) Improve efforts regarding the timely payment of consultants and contractors. b) Implement an asset security program. c) Implement and evaluate vending machine pilot. d) Achieve $1.5 million revenue in asset recovery. e) Continue to streamline and expedite procurement processes.
V. **Safety and Security as the Foundation**	a) Conduct operations training and refreshers for storeroom personnel b) Conduct regular safety briefings at all distribution centers c) Facilitate dissemination of safety briefings d) Promote safety awareness and ensure staff participation in safety events.

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Ensure the Best in Class Service Delivery to Exceed Customer Expectations	• Achieved an overall satisfaction rating of 3.8 in the User Department Survey which exceeded the goal of 3.5 established in CY 2016. • Maintained material availability to ensure minimum number of vehicles out of service (an average of 6.3 vehicles out of service per month against a goal of less than 10). • Continued small business advocacy and outreach programs, hosted and participated in several outreach events. • Supported Ambassador events. • On-line asset disposal utilized for selling surplus or obsolete assets. • Introduced e-bid as the new electronic solicitation system for sealed bids within SEPTA.
II. Develop Highly Motivated and Skilled Workforce	• Continued staff development, ownership, and a sense of urgency in accomplishing tasks with extreme customer focus. • Continued to build and maintain relationships with peers throughout the organization: biweekly and monthly meetings ongoing with the user departments. • Conducted divisional tours, Procurement trainings, system trainings, and the Operations partnership sessions. • Conducted Lessons of Late (“LOL”) training sessions.
III. Improve Facilities, Structures, and Work Environments	• Continued to ensure enhanced technology availability to allow efficiency and smoother work flow. • Implemented a requirement for ePS vendors to identify a small business certification status, if applicable, and upload the supporting documentation.

FY 2018 Goal	Accomplishments
III. Improve Facilities, Structures, and Work Environments (Cont'd)	• Coordinated and completed FTA Triennial Review with no deficiencies identified. • Updated the Authority's DBE Program Plan and received FTA approval. • Developed the Authority's triennial DBE goal and methodology for FY 2018-2020 and received FTA approval. • Actively participated in an audit of the DBEPO conducted by the Authority's Internal Audit Department. • Collaborated with a third party consultant to perform a business process review of the DBE certification unit.
IV. Responsibly Manage Resources in a Way that Provides Budget Stability to Grow the System	• Reduced obsolete inventory. • Achieved asset recovery of $1.4 million. • Developed a pilot program and an implementation schedule for a Vending Machine Program for approximately 70 different personal protective consumable items to achieve demand reduction and cost savings • Improved accuracy and return of the Asset Recovery efforts at Wheatsheaf Warehouse.
V. Implement Initiatives to Promote Maximum Safety and Security for our Infrastructure, Systems, and Personnel	• Conducted Safety Briefings at all Distribution Centers and all regularly scheduled Safety Meetings. • Supported Cross Functional team efforts to develop and maintain a Safety Critical Item determination and inspection process. • Obtained roadway worker certifications for personnel visiting field locations.



SEPTA

Audit and Investigative Services

Audit and Investigative Services

Overview

The Audit and Investigative Services Division conducts audits, reviews, and investigations of the Authority's operations to promote economy, efficiency, and effectiveness and to detect and deter waste, fraud, abuse, and mismanagement. The Division includes the Internal Audit Department and the Office of the Inspector General.



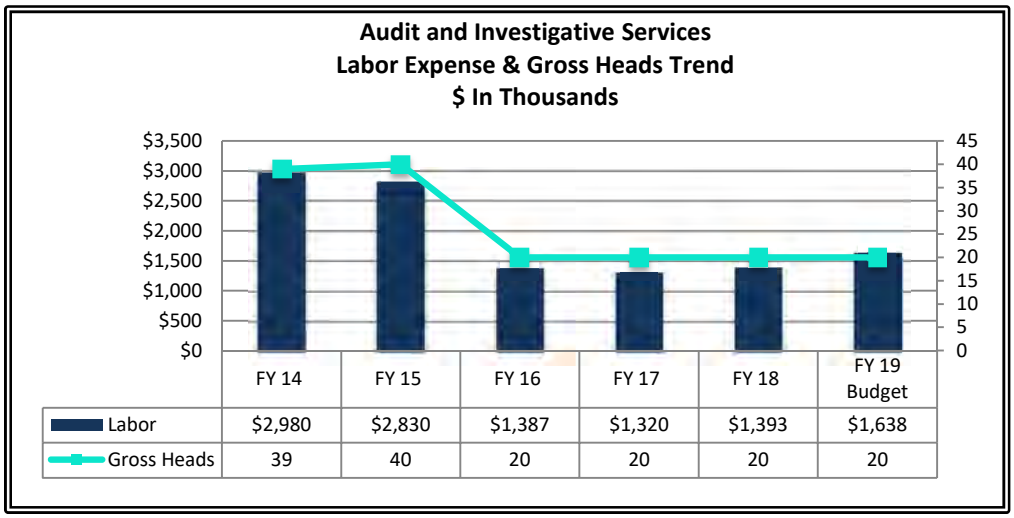
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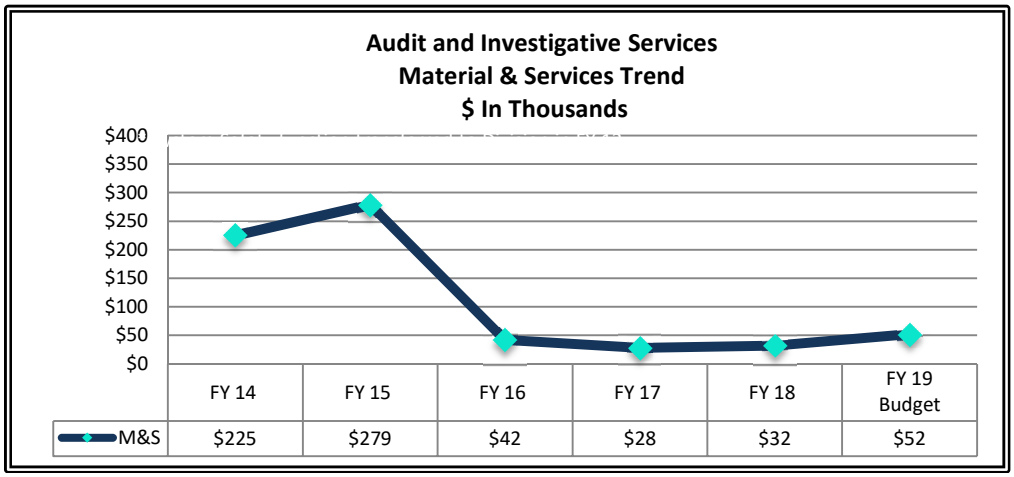
	OPERATING HEADS			
	Mgmt.	Clerical	Police	Total
Internal Audit	12	-	-	12
Office of the Inspector General	4	-	4	8
Total Operating Heads	**16**	**-**	**4**	**20**

Budget

Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Internal Audit	$ 920	$ 19	$ 939
Office of the Inspector General	718	33	751
Total	**$ 1,638**	**$ 52**	**$ 1,690**





Note: System Safety Department was previously included in Audit and Investigative Services. It became a Division in FY 2016.

Principal Responsibilities

INTERNAL AUDIT
Internal Audit is an independent, objective, internal review and consulting activity designed to add value and improve the organization's operations. It provides a systematic, disciplined approach to evaluate financial risk/exposure and improve the effectiveness of risk management, internal control, and governance processes.

Internal Audit conducts financial, compliance, and operational audits of departments within the Authority. The department is also responsible for the review of cost proposals and audits of cost reimbursement contracts and change order/claims. Additionally, Internal Audit provides a wide range of internal consulting support to departments upon request. The Department is comprised of Internal Audit, Information Technology, and Contract Audit sections.

Internal Audit
Internal Audit is responsible for reviewing all areas within the Authority by performing formal audits of an entire process or independent reviews of a particular activity or account balance.

Information Technology
A specialized sub-unit of Internal Audit that is responsible for reviewing new and existing computer applications, access security, and hardware. Independent data extracts and reporting support are also generated for Internal Audit and other divisions.

Contract Audit
Contract Audit is responsible for auditing or reviewing third-party cost data in accordance with Authority's policies and federal requirements. The work includes reviews of pre-contract cost proposals and audits of actual costs incurred on cost-plus-fixed-fee contracts. In addition, Contract Audit performs audits or reviews of cost documentation in support of change orders and claims.

OFFICE OF THE INSPECTOR GENERAL
The Office of the Inspector General is responsible for conducting independent investigations relating to fraud, waste, abuse, and mismanagement. This is accomplished through continuous monitoring and investigations directed at specific concerns.

Fiscal Year 2019 Goals & Business Initiatives

	Current Goals
I.	Streamline the Authority Policy development/update process
II.	Incorporate video review into the storeroom Asset Protection initiative
III.	Advance communication goals regarding divisional report writing.
IV.	Develop a library of KEY system controls and processes for Internal Audit program development
V.	Incorporate Task Order reviews into Contract Audit's scope of operation
VI.	Address non-payment of court-ordered restitution payments with responsible jurisdiction

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Risk Assessment Audits	• Acceptance of Board Audit Committee risk criteria and execution of planned audits
II. Asset Protection	• Audit program developed for key areas of concern. Video analysis to be incorporated into the storeroom reviews.
III. Employee Accountability	• Identified pattern FMLA/sick time abusers and successfully document employees engaged in prohibited activities associated with claimed illnesses.
IV. Quarterly Follow-up for Identified Issues	• Provided audit activity progress updates in scheduled quarterly meetings with the General Manager.
V. Financial Responsibility	• Initiated and successfully instituted the receipt of a monthly electronic file of Unemployment Compensation payments from the Pennsylvania Department of Labor and Industry. Coded programs to identify excess/unwarranted payments to current and former employees. • Collaborated with Office of General Counsel and Transit Police departments to identify the population of restitution payments due.

SEPTA

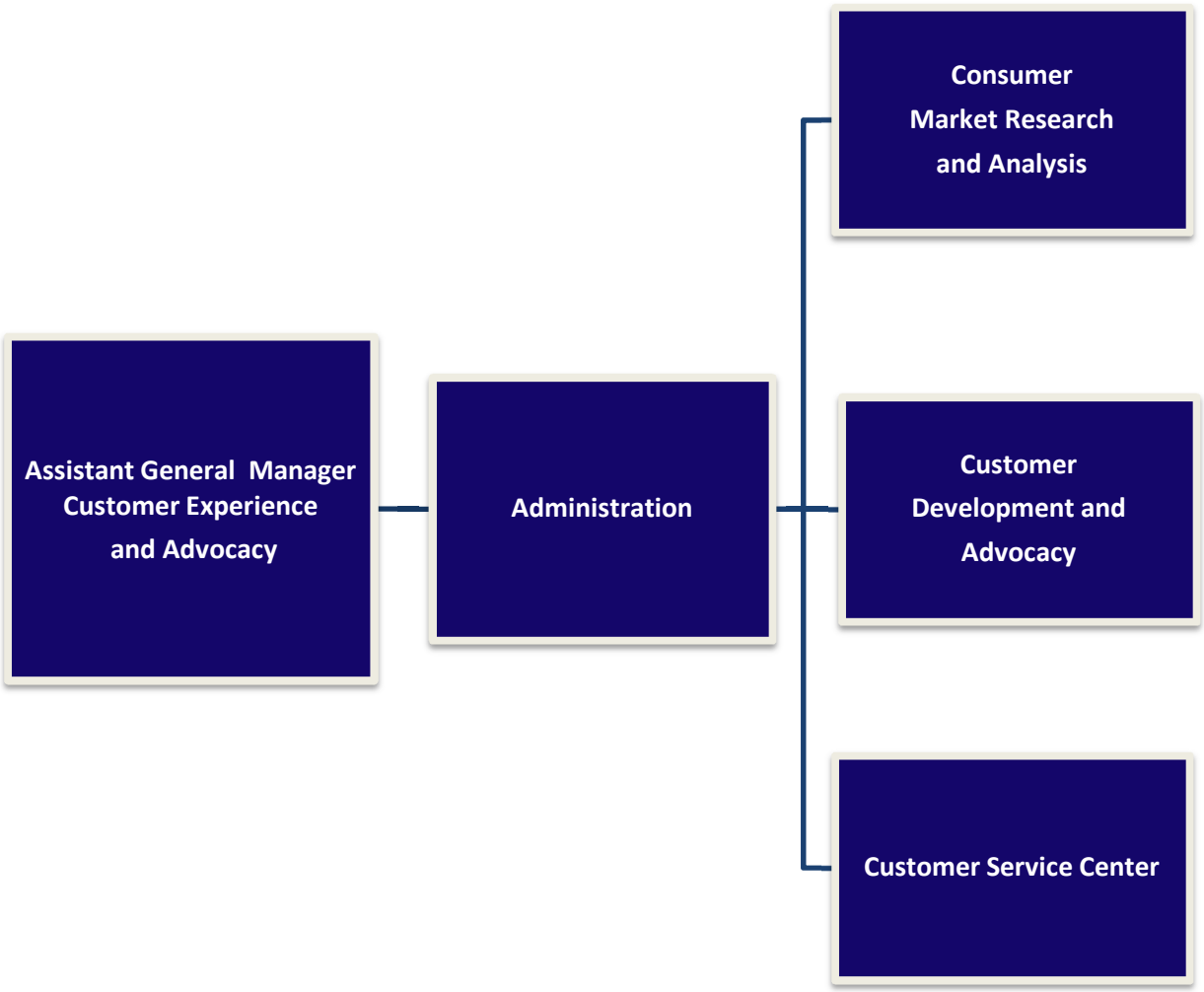
Customer Experience and Advocacy



Customer Experience and Advocacy

Overview

Customer Experience and Advocacy Division is responsible for the development, implementation, and coordination of SEPTA customer service and customer advocacy initiatives. The Division acts as the clearing house for all customer information shared across various channels, for gathering customer intelligence, for advancing the Authority's "Customer-Focused" agenda, and for performing consumer research to help the organization ascertain customer priorities, satisfaction levels, and overall loyalty.



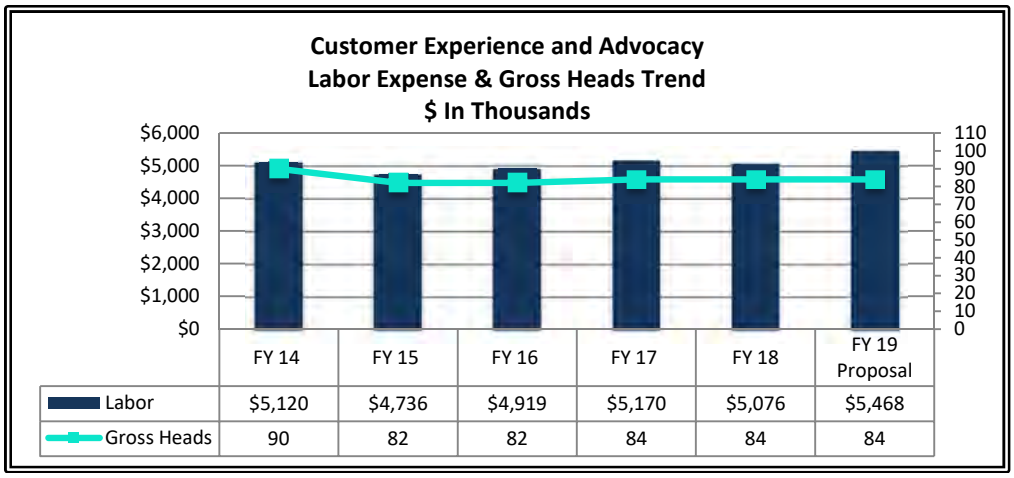
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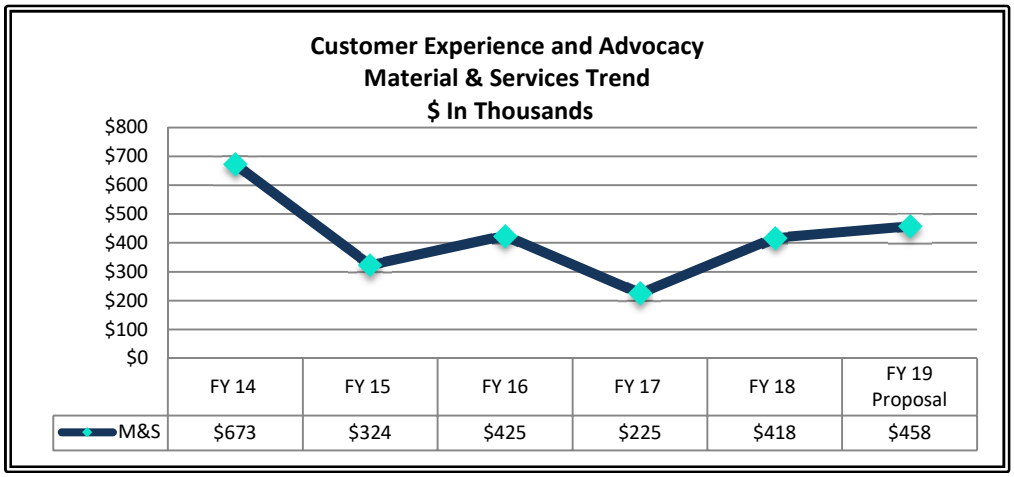
	OPERATING HEADS		
	Mgmt.	Clerical	Total
Administration	3	-	3
Consumer Market Research and Analysis	2	-	2
Customer Development and Advocacy	5	-	5
Customer Service Center	13	61	74
Total Operating Heads	**23**	**61**	**84**

Customer Experience and Advocacy

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 273	$ 441	$ 714
Consumer Market Research and Analysis	166	-	166
Customer Development and Advocacy	402	-	402
Customer Service Center	4,627	17	4,644
Total	**$ 5,468**	**$ 458**	**$ 5,926**





Customer Experience and Advocacy

Principal Responsibilities

ADMINISTRATION
Coordinate, manage and direct the financial and administrative activities for the Customer Experience and Advocacy Division.

CONSUMER MARKET RESEARCH AND ANALYSIS
Understanding the needs and expectations of a business' customers is vital to success. This unit uses qualitative and quantitative research, plus audits by service quality staff, to support SEPTA's Divisional goals.

CUSTOMER DEVELOPMENT AND ADVOCACY
This group champions the SEPTA Customer Experience through interdivisional initiatives, customer outreach/engagement, and new market developments. Department staff is responsible for the Building a SEPTA Culture of Service and Creativity (BASCSC) program, the Downtown Link Customer Experience, and the College Travel Center initiative. The Advocacy unit of Customer Development works with key stakeholder groups such as the Citizens Advisory Committee (CAC), Youth Advisory Council (YAC), and Delaware Valley Association of Rail Passengers (DVARP), to foster transparency and broader customer involvement into the Authority's decision making process.

CUSTOMER SERVICE
Responsible for responding to customer issues and inquiries received via telephone, email, mail, fax and walk-ins concerning travel information, lost and found, complaints, suggestions, and commendations. Coordinates use and analysis of Authority's Customer Relations Management (CRM) program VERITAS as a critical tool to meet both customer expectations and assist internal units with their performance goals. Department also manages various "Social Customer Services" engagement channels on assorted social media platforms.

Customer Experience and Advocacy

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **Nourish and advance a wide array of Customer-Focused initiatives throughout the Authority**	a) Provide updates on the status of Customer Experience goals to the General Manager, the GM Team, and Board members b) Work with other Divisions to ensure that customer service remains vital and relevant by closing out completed initiatives and introducing new ones c) Closely coordinate customer service programs with other initiatives, such as strategic planning, the SEPTA Key, and the capital program d) Ensure customer-related design features in services and facilities are fully considered through formal Customer Experience Division interaction
II. **Develop Customer-Focused workforce**	a) Provide leadership to internal culture change initiatives, such as BASCSC, that emphasize customer-focused decision making and innovation b) Advocate and support creation of customer-focused organizational goals c) Recognize SEPTA team members that have made a significant contribution to customer satisfaction and/or loyalty d) Participation in Employee Training Programs related to SEPTA Key and culture change initiatives
III. **Employ technological advancements to improve Customer Service**	a) Continue efforts to expand SEPTA's reputation as the industry forerunner in the provision of "social customer service" b) Provide enhanced real time tools to Customer Service staff to provide for accurate and timely dissemination of information c) Move from basic "Customer Service" to "Customer Intelligence and Analytics" by adopting new business models and technology d) Implement innovative use of translation technology tools and support English as a Second Language (ESL) outreach.

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Nourish and advance a wide array of Customer-Focused Initiatives throughout the Authority	**External Customer** • Increase customer engagement thru a refreshed SEPTA Customer Connection (SCC) program that is merged within the BASCSC program with an expanded cross-section of internal SEPTA employee support. • Expanding dialogue with area colleges/universities to potentially develop a heightened SEPTA presence within the campus environment. • Redesigning SEPTA's current Performers program to enhance the customer experience and exposure to a varied array of talent, including professional musicians and regional after school performance programs. • Continue to grow the "behind the scenes" exposure to SEPTA by connecting to regional educational programs and various stakeholder groups. **Internal Customer** • Expand and promote employee recognition through SEPTAcular, GM Awards program and providing support to internal divisional recognition initiatives. • Continue to cultivate the BASCSC Morale and Camaraderie efforts that annually enhance existing programs and grow new opportunities for employee interaction.
II. Develop Customer-Focused Workforce	• Supported SEPTA training programs that are designed to consistently support SEPTA's Customer Service goals. • Expanded interactions within various divisions of SEPTA by providing presentations that focus on the Customer Experience with strategies to enhance workforce engagement.
III. Employ technological advancements to improve Customer Service	• Our social media team (@SEPTA_SOCIAL) continues to be the best in class at customer engagement. They have received numerous accolades throughout the year for their accomplishments. We also continue to grow our user base for VERITAS, the official customer database for the Authority, to focus on customer engagement.

SEPTA

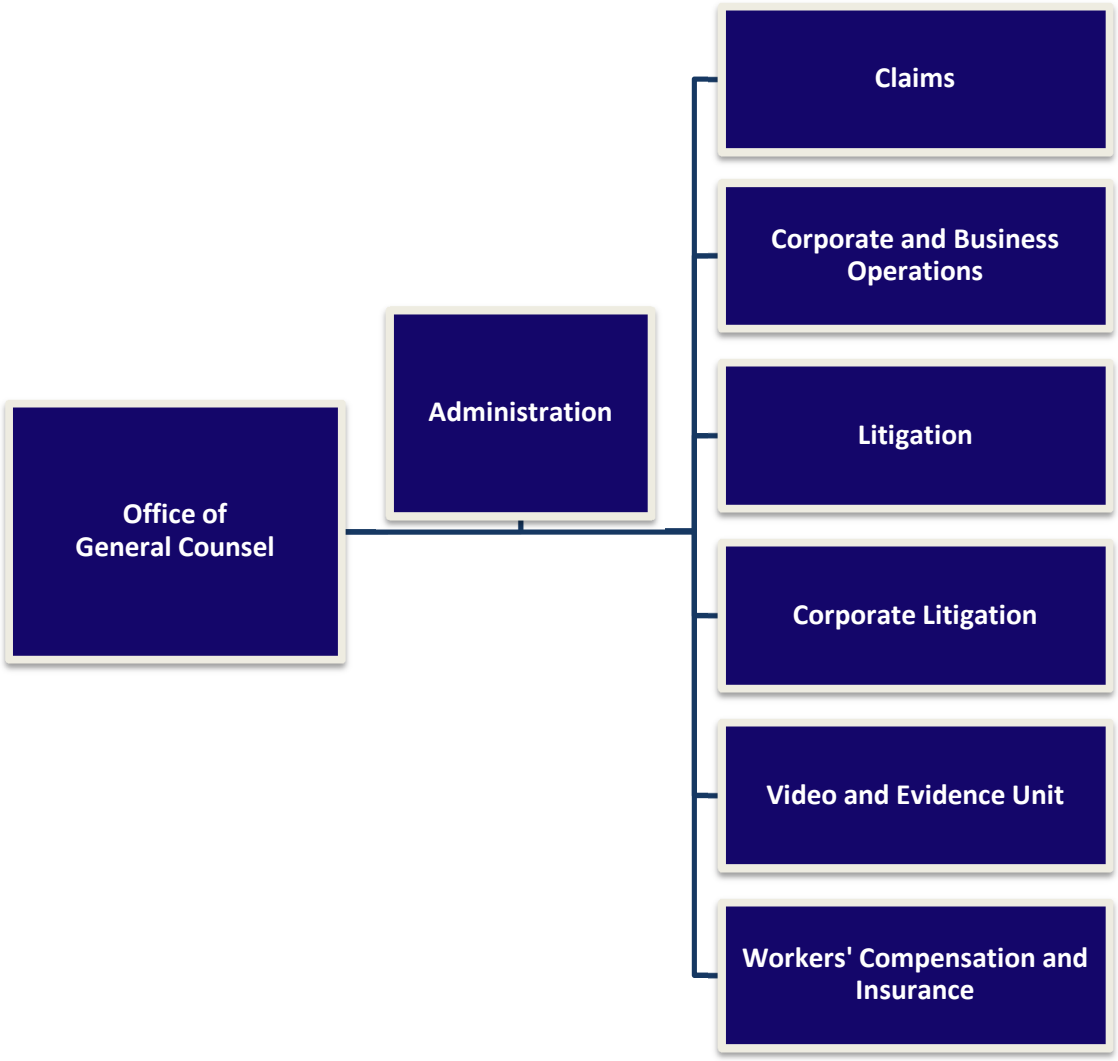
Office of General Counsel



Office of General Counsel

Overview

The Office of General Counsel Division consists of the Corporate and Business Operations, Video and Evidence, Litigation, Corporate Litigation, Claims, and Workers' Compensation and Insurance Departments, all reporting to the Office of General Counsel.

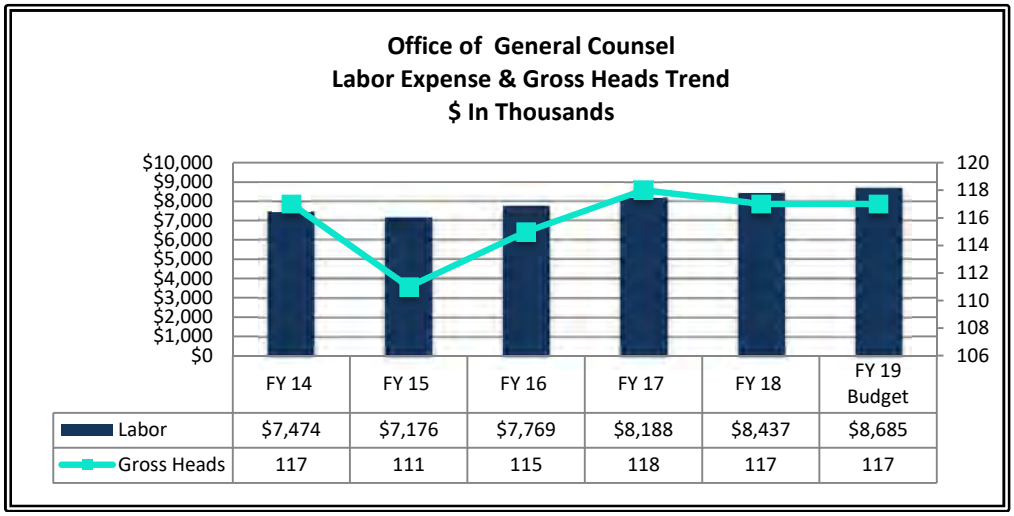


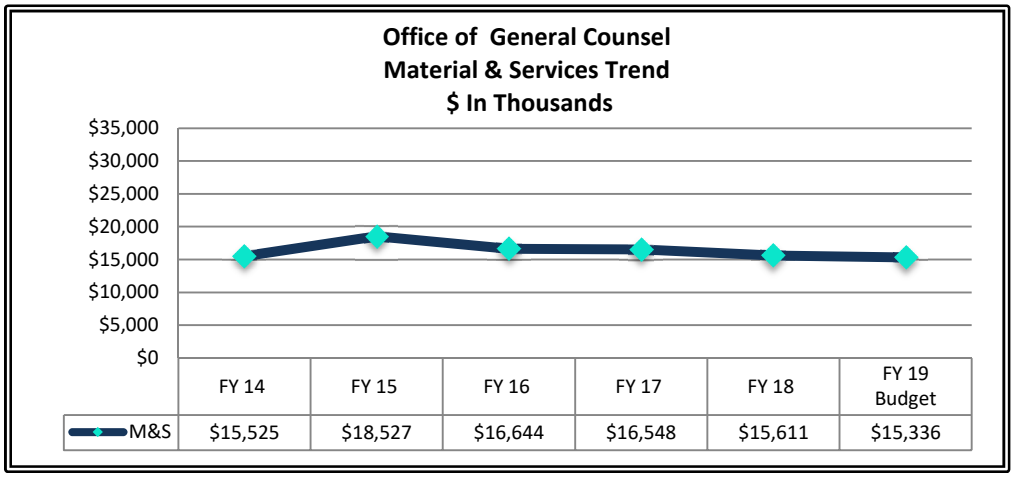
Headcount

	OPERATING HEADS		
	Mgmt.	Clerical	Total
Administration	7	-	7
Claims	17	10	27
Corporate and Business Operations	11	-	11
Litigation	28	-	28
Corporate Litigation	4	-	4
Video and Evidence Unit	20	12	32
Workers' Compensation and Insurance	7	1	8
Total Operating Heads	**94**	**23**	**117**

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 894	$ 20	$ 914
Claims	1,757	1,750	3,507
Corporate and Business Operations	942	5,091	6,033
Litigation	2,300	3,227	5,527
Corporate Litigation	321	3,184	3,505
Video and Evidence Unit	1,967	1,928	3,895
Workers' Compensation and Insurance	504	136	640
Total	**$ 8,685**	**$ 15,336**	**$ 24,021**





Principal Responsibilities

CORPORATE AND BUSINESS OPERATIONS
Lawyers within the Corporate Department negotiate and draft legal contracts and other documents that support and promote the activities of client departments. Counsel advises management on matters that have legal implications, assists other departments in drafting documents that have legal-related elements, and works with outside attorneys handling matters involving specialty areas of the law. The Corporate Department is involved in all transactional legal matters such as those related to procurements, construction, technology contracts, real estate, environmental law, energy, sustainability, and railroads and property use. The Business Operations Unit within this Department is responsible for the administrative and business functions that support the Office of General Counsel (OGC), such as staffing and employment management, training, budget development, administering legal services contracts and managing office equipment and supplies.

VIDEO AND EVIDENCE UNIT
This Department is responsible for performing intake functions for all matters, claim and requests that come into the Office of General Counsel; seeking and compiling all information, data and records needed to handle all OGC matters; and featuring those functions associated with carrying-out the Authority's video surveillance program. The video program includes planning, collecting, reviewing, preserving, storing and producing data from video systems on SEPTA vehicles and in stations. Staff within this Department also respond to and handle requests for, notification of, and production of employee witnesses for court matters.

LITIGATION DEPARTMENT
Lawyers in the Litigation Department are responsible for the legal representation of SEPTA (both with in-house attorneys and by managing outside counsel) in the defense and prosecution of civil actions, with the majority of cases involving personal injury and property damage.

CORPORATE LITIGATION DEPARTMENT
Lawyers within the Corporate Litigation Department represent SEPTA in civil actions that are other than personal injury and property damage. Corporate litigation actions include, labor and employment matters, civil rights cases, contracts and construction suits, and trademark registration and infringements. This Department also provides legal counsel to management on employment matters and statutes (including Title VI, ADAAA, ADEA, FMLA, FLSA, and USERRA) and employment concerns before state and federal administrative agencies. Additionally, staff within this Department handles the intake, response, and appeal of requests for Authority records submitted under the Pennsylvania Right-to-Know Law, third party subpoena requests for records and litigation holds.

CLAIMS DEPARTMENT
Claims Department staff is responsible for the handling of personal injury and property damage claims. Many claims are handled in tandem with attorneys in the Litigation Department, from first notice of the claim through its final resolution. Claim handling involves: thorough and detailed examination of evidence, a determination of liability and assessment of potential damages. The existence of pertinent video provides a key piece of beneficial evidence, one which often provides a dispositive defense to a claim. If the Authority is liable to an individual for injuries or property damage, then staff will attempt to settle the claim in an equitable and prudent manner. For claims where the Authority either is not liable or is not able to obtain a just settlement, the case is defended in court by the attorneys of the Litigation Department.

WORKERS' COMPENSATION AND INSURANCE

The Workers' Compensation and Insurance Department manages SEPTA's programs to compensate injured employees who have claims under the Commonwealth's workers' compensation laws or under the Federal Employers Liability Act (FELA). Department staff oversee a third party administrator of workers' compensation claims, handling medical and indemnity management, coordinating internal vocational rehabilitation, and managing all alternative and transitional duty programs. Staff also administers supplemental benefits as prescribed by labor contracts. FELA Unit staff oversee a third party administrator of FELA claims which monitors, settles, and oversees litigation of claims of injured railroad workers. The Insurance Unit staff helps to manage the Authority's exposure to risk under transactional situations, through the application of risk management tools such as insurance programs, self-insurance administration, performance bonds, and letters of credit.

Fiscal Year 2019 Goals & Business Initiatives

a) Develop and implement a program, which includes regular periodic reporting, to Identify instances for and carry-out the handling of subrogation claims.

b) Establish meaningful reserves on tort claims for better reporting and improved forecasting.

c) In order to increase the efficiency and handling of tort matters, continue to improve working relationships between Litigation, Video and Evidence and Claims Departments through commonality within each unit's best practices and consistent naming conventions.

d) Continue to employ metrics to tort litigation with the goal of improving trial team management, and the trial attorneys' handling of cases and written work products.

e) Develop standard in-house "expert" reference reports for recurring cases such as alleged sudden acceleration, alleged sudden braking, door closings and the interpretation of vehicle speed shown on video.

f) Work with the Video and Evidence Unit and Control Center to develop a process whereby Control Center audio is available to be captured and retained for use in defending claims and litigation against the Authority.

g) Optimize the use, availability, and incorporation of video footage products in the handling of tort cases and establish a mechanism to ensure that the court can review video that is relevant to motion filings.

Fiscal Year 2019 Goals & Business Initiatives

h) Ensure cost effectiveness of SEPTA's Owner Controlled Insurance Program (OCIP) by closely managing loss control services and the services of the Third Party Administrator who is managing OCIP claims on behalf of SEPTA. SEPTA will determine if the City Hall Underpinning project is suitable for inclusion in the current OCIP.

i) Conduct a feasibility study related to SEPTA's insurance program to determine if alternative risk transfer vehicles such as Captive Insurance Company would be beneficial to SEPTA.

j) Facilities Video Project – Install and bring on line video systems at 27 remote operating facilities with coverage emphasis on property/employee security, District Dispatcher windows, storerooms and material shrinkage.

k) Fully employ metrics, regular reporting, and outside counsel management/collaboration in employment and civil rights matters, to ensure consistent quality of work and equitable billing practices.

l) Work with FELA claims management, Third Party Administrator, and outside counsel when FELA matters convert from claims to active litigation, utilizing the techniques established in FY 2018. Work with outside counsel on trial and/or settlement strategy.

m) Monitor, handle and bring to conclusion uncontested workers' compensation matters as a cost savings measure.

n) In conjunction with the Records Management Department, develop/integrate an electronic database to manage the tracking of Right-To-Know Law (RTKL) requests and SEPTA's responses thereto, thereby alleviating the need to maintain hard copy records. Also, integrate responses to RTKL requests pertaining to SEPTA tort claims-related matters into the existing OGC Legal Files database.

o) Develop and implement a program to track, monitor, analyze, and report quarterly on vendor spending for legal support services, continuing legal education and other training, organization memberships and licensing, library expenses, offices, supplies, and other repetitive cost resources.

p) Expand the training and development program to address employee development needs, to monitor development initiatives, costs and results, and to obtain feedback on benefits gained from investment in training.

q) Corporate attorneys will develop, implement and lead informational sessions within OGC and within the Authority to explain their areas of expertise, and incorporate other departments such as Real Estate and System Safety to provide fundamental information to their customers.

Fiscal Year 2018 Major Accomplishments

- Completed restructuring and streamlining work flow processes by realigning personnel, employing technology, participating in workshops designed to improve relationships and customer service, and developed training plans designed to enable staff to flourish in new or redesigned roles.
- The development and implementation of a program for improved handling of recoverable claims (damage caused to SEPTA property) resulting in the collection of $680,000.
- The implementation of an early settlement intervention program, designed to identify adverse liability claims with high exposure, resulted in the settlement of 21 claims totaling $5 million dollars. More importantly, it resulted in a sizeable decrease in future liability and fueled a $2.6 million decrease in defense costs.
- Tort Litigation has developed metrics, reporting requirements as part of trial team management. In addition, we have developed reports within Legal Files to better assist management in assessing employee's performance.
- Tort Litigation, working with staff of the Court of Common Pleas, has developed the mechanism by which the Court can review video relevant to motion filings.
- Tort Litigation, working with Customer Service and the Video and Evidence Unit, developed a system to capture, record and review telephone conversations to Customer Service and the Intake Unit.
- The approximate number of corporate matters underway has been reduced. Methods to streamline drafting and review processes have been examined and are being implemented. The use of templates and sample agreements has begun to be institutionalized.
- In order to increase the efficiency and timeliness of handling corporate matters, the corporate attorneys have established "expertise" areas to promote a deeper knowledge within their respective areas. Instructional sessions have been held to provide insight on one's expertise area to the other lawyers in the department.
- Completed installation of video camera systems, specifically inward/outward facing cameras, on the Silverliner IV, Bombardier, and locomotive fleets in the Regional Rail Division, ahead of schedule.
- Completed installation of inward/outward facing cameras on BSL and MFL rail car fleets ahead of schedule.
- Completed the implementation of audio recording system to capture and record Intake Unit telephone conversations with individuals asserting claims against SEPTA, so that those statements can be used to evaluate and defend against claims or lawsuits.

Fiscal Year 2018 Major Accomplishments

- Excess Railroad Liability Insurance Program has been placed with an outside insurance carrier that cost-effectively helps SEPTA to manage its risk exposure regarding rail operations and its liability and indemnification obligations pertaining to railroad operations.
- FELA claims are being managed by a new Third Party Administrator. The third party administrator is working closely with Railroad Operations, System Safety and the Office of General Counsel to identify abuse patterns and reoccurrence of claims.
- In partnership with Human Resource Division's Learning Connection Program, conducted two comprehensive "Guide to Employment Law" seminars for 200+ SEPTA managers. Program provided tools and resources to recognize and avoid violations of law, and reminded managers of relevant obligations regarding the following areas of employment law:
 - Title VII
 - The Americans with Disabilities Act
 - Family & Medical Leave Act
 - Genetic Information Nondiscrimination Act
 - The Age Discrimination in Employment Act

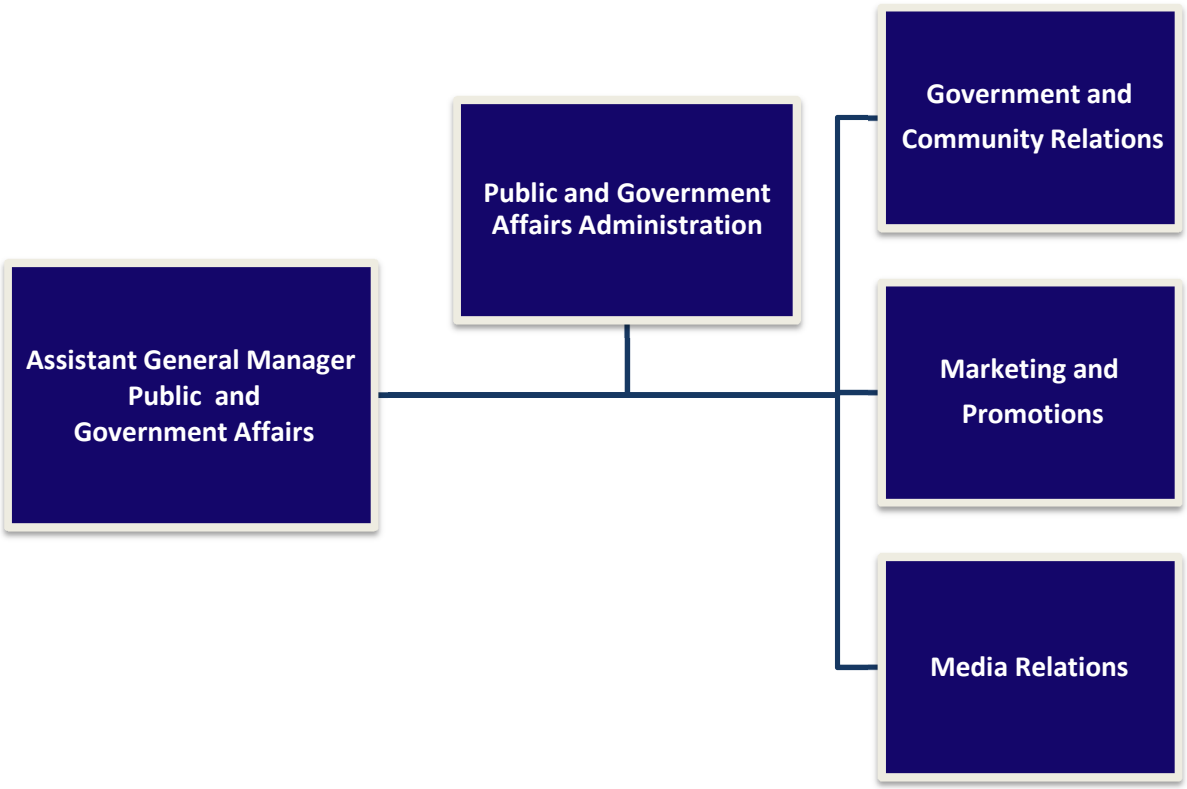
SEPTA

Public and Government Affairs

Public and Government Affairs

Overview

The Public and Government Affairs Division – comprised of Administration, Government and Community Relations, Marketing and Promotions, and Media Relations – is responsible for communicating the Authority's official position on key issues, enhancing public perception, and developing campaigns that promote transit awareness and ridership growth. The Division builds and maintains strong working relationships with federal, state, and local elected officials, members of the media and transit stakeholders to ensure SEPTA's priorities and message effectively reach lawmakers and the public.

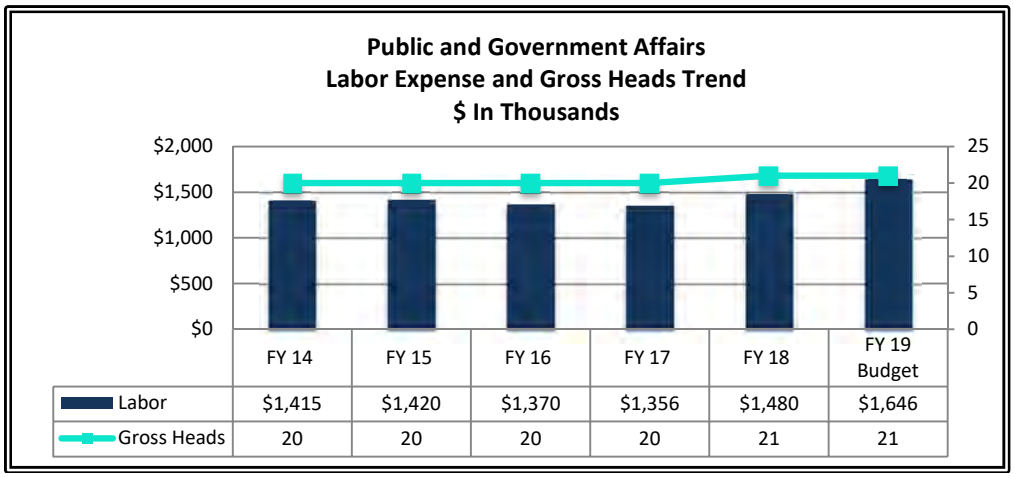


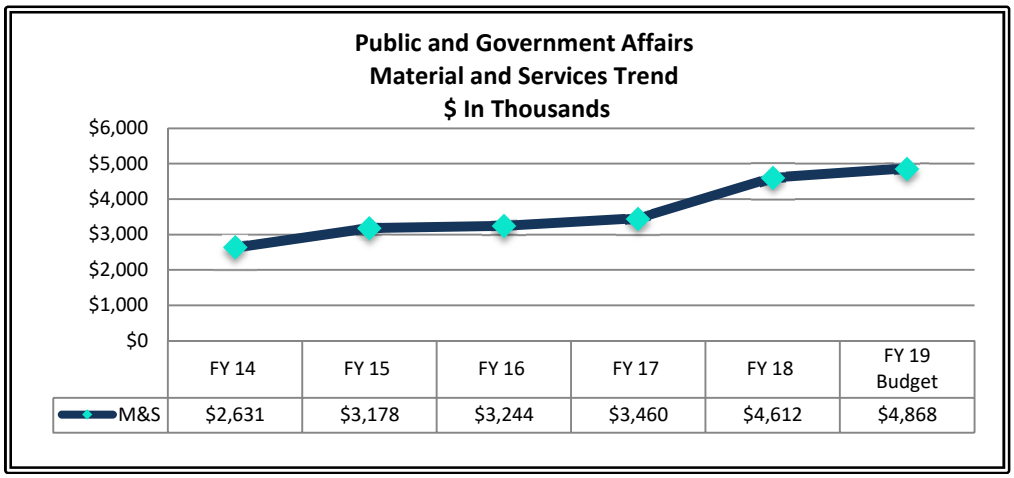
Headcount

	OPERATING HEADS		
	Mgmt.	Clerical	Total
Administration	5	-	5
Government and Community Relations	9	-	9
Marketing and Promotions	3	-	3
Media Relations	4	-	4
Total Operating Heads	**21**	**-**	**21**

Budget
Amounts in Thousands ('000)

	Net Labor	Material & Services	Total
Administration	$ 540	$ 992	$ 1,532
Government and Community Relations	643	20	663
Marketing and Promotions	168	3,849	4,017
Media Relations	295	7	302
Total	**$ 1,646**	**$ 4,868**	**$ 6,514**





Principal Responsibilities

ADMINISTRATION
Coordinate, manage, and direct the financial and administrative activities for the Public and Government Affairs Division.

GOVERNMENT and COMMUNITY RELATIONS

State
Build and maintain effective relationships with members of the Pennsylvania General Assembly from the five county region, legislative leaders, members of relevant committees, the Governor's administration, and appropriate state departments. Review and analyze legislation and work with senior management to assess and address impacts on SEPTA. Serve as the Authority's point of contact for legislative and constituent inquiries and represent SEPTA on the board of the Pennsylvania Public Transportation Association (PPTA).

Federal
Work with the region's Congressional Delegation, relevant Committees, and various federal agencies to advance SEPTA's interests and priorities both legislatively and administratively. Review and analyze legislation and regulations and work with senior management to assess and address impacts on SEPTA. Areas of focus include, but are not limited to, transportation authorization and annual appropriations, as well as safety, environmental, and disabilities law and regulations. Represent SEPTA on American Public Transportation Association (APTA) committees.

Local / Community
Work with members of Philadelphia City Council and local officials to advance transit related initiatives and capital projects. Provide proactive outreach, before and during SEPTA projects, and respond to issues impacting Council Districts and communities throughout the service area. Other activities include attending city, county, and municipal meetings to update the public on SEPTA projects. Staff also works with a variety of community groups to address various transit-related issues.

MARKETING and PROMOTIONS
Use innovative and attention-grabbing promotional campaigns to build awareness about SEPTA service. Interact with current and potential customers to build and maintain ridership across all modes and in all counties. Effectively market SEPTA by utilizing offline and online media, event marketing, loyalty programs, industry-leading social media engagement, and strategic partnerships with area sports teams, businesses, and cultural institutions. Execute contracts and coordinate activities with third-party agencies to maximize the effectiveness of the Authority's promotional and marketing portfolio.

MEDIA RELATIONS
Responsible for managing communication between the Authority and news media outlets. Facilitate coverage through press releases and news conferences, transit publications, SEPTA's website, and various social media platforms, while responding to daily inquiries and breaking news. Respond to media inquiries 24 hours a day, seven day a week (24/7) in coordination with key internal departments: Government and Community Relations, Marketing, and Communications. The department continually looks for ways to tell SEPTA's story by being accessible and transparent.

Fiscal Year 2019 Goals & Business Initiatives

GOALS	BUSINESS INITIATIVES
I. **Advocate for SEPTA's funding and policy priorities in Congress and the Pennsylvania General Assembly**	a) Continue efforts to ensure the preservation and successful implementation of ACT 89 and the FAST Act b) Work with APTA, PPTA, MRDG, KTFC and other stakeholders to maintain sustainable multi-modal transportation funding solutions at the state and federal levels c) Respond to legislative constituent inquiries and provide timely service and capital project information to elected officials and stakeholders
II. **Demonstrate the impact and importance of public infrastructure investment – Act 89 and the FAST Act – by highlighting the success of SEPTA's "Rebuilding the System" Capital program**	a) Work with regional elected officials to highlight the economic impact generated by SEPTA infrastructure investment in communities throughout southeastern Pennsylvania and the Commonwealth b) Continue to promote the economic impact of transit in large metro regions and highlight the need to bring systems to a state of good repair and enhanced capacity
III. **Continue proactive approach to community and media relations**	a) Create a regular cycle of media tours that educate the public on SEPTA projects b) Provide outreach to community groups and general public c) Utilize SEPTA's new Bilingual Constituent/Community Relations Coordinator to develop new outreach opportunities and outlets to reach new and diverse communities of customers d) Establish ways to highlight the Authority's diversity and positive contributions to the region
IV. **Promote regional awareness of SEPTA's progress**	a) Communicate and promote the rider benefits of the SEPTA Key Card b) Facilitate meaningful partnerships that support the Authority's mission and overall brand c) Identify and highlight the advantages of riding SEPTA

Fiscal Year 2018 Major Accomplishments

FY 2018 Goal	Accomplishments
I. Continue to advocate for SEPTA's funding and policy priorities in Congress and the Pennsylvania General Assembly	• Worked with state and national partners and coalitions to build upon successful messaging on the importance of multi-modal infrastructure investment • Reinforced the understanding of SEPTA's essential role in the regional and statewide economy and how the region's livability and competitiveness are directly tied to SEPTA's ability to meet future growth • Highlighted how SEPTA's core business principles – The Customer Experience, Workplace Development and Support, Rebuilding the System, SEPTA is a Business and Safety and Security as the Foundation – are shaping SEPTA's strategic vision
II. Demonstrate the impact and importance of public infrastructure investment-Act 89 and the FAST Act-by highlighting the success of the Authority's "Rebuilding the System" Capital program	• SEPTA's successful use of Act 89 funds to invest in system-wide state of good repair projects was highlighted via public events, such as ribbon cuttings and ground breakings, and through outreach to elected officials and stakeholders

13. Fringe Benefits

Fringe Benefits are a major expense for SEPTA representing 26.6% of the Fiscal Year 2019 Operating Budget of $1.45 billion. Responsibility for management of fringe benefit costs rests with all Authority departments, however, Finance and Human Resources take the lead in cost control. Authority expenditures for Fringe Benefits are largely controlled by statutory and contractual obligations and have been significantly influenced by national trends.

Listed below are the various Fringe Benefit categories:

Medical and Life Insurance
SEPTA provides medical, prescription drug, dental, vision, and life insurance benefits for union employees, management employees, and retirees in accordance with SEPTA policy and labor agreements negotiated with each respective union.

Payroll Taxes
This represents the required employer contribution for Social Security (FICA) and Railroad Retirement Taxes (RRT).

Unemployment
SEPTA is required to pay into the State and Railroad unemployment compensation funds and is self-insured for non-railroad employees.

Pension
This includes pension obligations, excluding Railroad employees who are covered by the Railroad Retirement System.

Workers' Compensation and FELA
Obligations to transit and railroad employees injured on duty for their medical bills and lost wages.

Fiscal Year 2019 Operating Budget
Fringe Benefit Expense
(Amounts in Thousands)

Medical, Prescription, Dental, Vision & Life	$	204,402
Payroll and Unemployment Taxes		73,150
Pension		114,530
Workers' Compensation and FELA		32,910
Subtotal	$	424,992
Capital Support and Projects		(38,987)
Fringe Benefit Expense	**$**	**386,005**

13. Fringe Benefits

Fiscal Year 2019 Operating Budget
Labor and Fringe Benefits
Amounts in Thousands (000's)

	Net Labor	Net Fringe Benefits	Total
Audit and Investigative Services	$ 1,638	$ 969	$ 2,607
Communications	1,264	748	2,012
Corporate Staff	2,826	1,671	4,497
Customer Experience and Advocacy	5,468	3,234	8,702
Deputy General Manager/Treasurer Administration	1,431	846	2,277
Employee Development/Relations	10,999	6,505	17,504
Engineering, Maintenance & Construction	78,771	46,590	125,361
Finance and Planning	11,741	6,944	18,685
Human Resources	4,148	2,453	6,601
Information Technology	6,006	3,552	9,558
New Payment Technologies	119	70	189
Office of General Counsel	8,685	5,137	13,822
Office of Innovation	338	200	538
Operations	358,087	211,793	569,880
Procurement, Supply Chain & DBE	9,964	5,893	15,857
Public and Government Affairs	1,646	974	2,620
Revenue Operations	13,374	7,910	21,284
System Safety	1,984	1,173	3,157
Transit Police	21,050	12,450	33,500
Vehicle Engineering & Maintenance	119,401	70,620	190,021
Capital Allocation & Other	(6,305)	(3,727)	(10,032)
Total	**$ 652,635**	**$ 386,005**	**$ 1,038,640**

13. Non-Departmental Expenses

Amtrak	The expense is for the maintenance and use of Amtrak-owned track and facilities on the Northeast Corridor (between Trenton, NJ and Newark, DE) and the Harrisburg Line (Paoli/Thorndale Line). The Passenger Rail Investment & Improvement Act of 2008 (PRIIA) was implemented October 1, 2015. The budget reflects PRIIA mandates and cost assumptions developed by the Northeast Corridor Commission with input from SEPTA and other commuter agencies on the corridor.
ADA	The budgeted contract cost to SEPTA is shown here. The staff cost for the administration of ADA complementary service and other accessibility programs for the disabled is included in the Operations Division under Customized Community Transportation.
Shared Ride Program	The budgeted cost for contractor door-to-door service for senior citizens. The cost of administrative staff in the Shared Ride Program is included in the Customized Community Transportation budget**.**
Debt Service Interest and Fees	Interest expenses and amortization of insurance premiums associated with the Authority's outstanding debt.
Property Insurance/Other Claims Payouts, Net	Reflects the projected premiums for insurance on various Authority assets, as well as other claims payouts net of recoveries.
Services for Headquarters' Building	Maintenance and administrative service expense for the operation of the corporate offices at the 1234 Market Street headquarters by a professional real estate management firm. These expenses cover both SEPTA and tenant-occupied space.
Snow Removal/ Severe Weather Contingencies	Snow removal and deicing at Regional Rail parking lots and station platforms only. Snow removal for all other facilities is accomplished in-house by SEPTA forces and the related labor expense is included in the departmental budgets.
Utilities	Expense reflects the cost of non-propulsion electricity, heating oil, water and sewer, natural gas, and steam heat. All are based on projected rates of consumption and contractual or tariff based rates. Also included are expenses for telephone, cellular service and trash removal, which are based on our current contractual agreements.

CCT Connect - ADA Program

In compliance with the Americans with Disabilities Act, CCT Connect provides ADA complementary Paratransit transportation for persons who cannot use or access regular SEPTA fixed route service. Throughout SEPTA's five-county service area, private carriers are under contract with SEPTA to provide door-to-door transportation to disabled riders by advanced reservation. Projected Fiscal Year 2019 ridership is 678,000 for ADA City Division and 317,000 for the Suburban Division.

One of the main focuses of CCT Connect's efforts for Fiscal Year 2019 will be the continuation of providing 100% next day rides to ADA program patrons. SEPTA is committed to maintaining a "zero trip denial" policy.

The next-day trip initiative will build upon proactive steps taken during recent years. The entire SEPTA-owned fleet of 460 vehicles is maintained to SEPTA's standards by the contract carriers. In addition, the Philadelphia trip reservation scheduling and dispatch was centralized under SEPTA supervision along with driver training and testing. Other programs were instituted to enhance contractor accountability and customer satisfaction, including patron service monitoring and mobile data terminal (MDT) swipe card readers on all CCT Connect vehicles.

ADA Program initiatives continuing during Fiscal Year 2019 include the fleet replacement program for optimizing fleet reliability and an enhanced patron eligibility certification. This process will enable those CCT riders who are able to use fixed route service for some or all of their travel. The training was developed in cooperation with the SEPTA Advisory Committee (SAC) and the disabled community.

Shared Ride Program

The Shared Ride Program (SRP) provides shared, advance-reservation, door-to-door transportation for Pennsylvanians age 65 and older. SEPTA's CCT Connect Department is the SRP county coordinator for Philadelphia County. The Pennsylvania Lottery Fund reimburses SEPTA for 85% of the cost of each eligible CCT Connect Shared Ride Program trip according to pre-established rates, with the balance coming from patron fares and/or third party agency sponsors. The Shared Ride Program's goal for Fiscal Year 2019 is to provide a total of 642,000 senior trips.

The Philadelphia Shared Ride Program Advisory Council (SRPAC), an independent advisory group, provides advice and information to SEPTA on Shared Ride Program service.

13. Other Operating Expenses

Injury and Damage Claims

Fiscal Year 2019 claims expense is budgeted at $28.7 million. Staff from the Authority's Office of General Counsel, in cooperation with various outside agencies, including the City of Philadelphia and Suburban Counties District Attorney's offices, aggressively defend against fraudulent claims.

Other Expenses

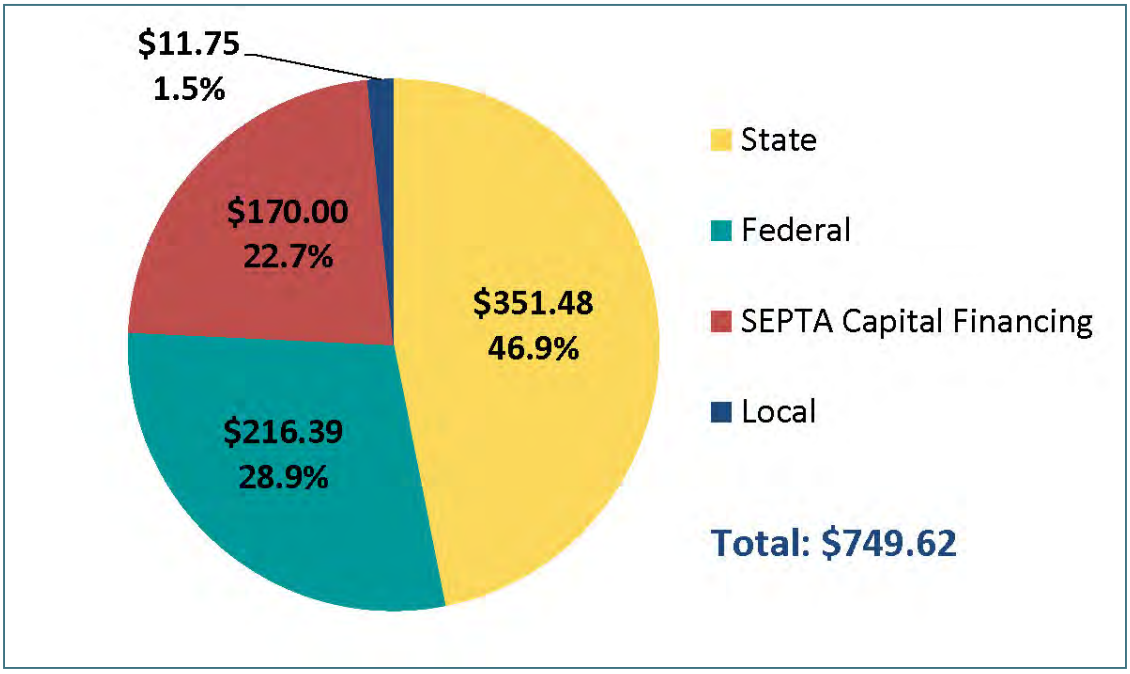
The Other Expenses category includes propulsion power, fuel, vehicle and facility rentals, and depreciation. A further description of these items can be found in the Operating Expense Section.



SEPTA

Summary of Capital Improvement Program

Fiscal Year 2019 Capital Budget
Funds by Source
(In Millions)



Capital Sources of Funds
Sources of capital funds included in the FY 2019 Capital Budget are projected as follows:

Source	Amount In Millions	Description
State Capital Funds Section 1514	$351.48	Asset Improvement Program
Federal Transit Administration	$198.31	Section 5307, 5340, 5337 and 5339 Formula Programs
Employment Based Immigration Loan; short- and long-term financing	$170.00	5th Preference (EB-5) Program in addition to short and long-term financing tools.
Federal Highway Flexible Funds	$17.08	Anticipated share of the regional flexible funds that are flexed to transit operators
U.S. Department of Homeland Security	$1.00	Based on SEPTA's anticipated share of Fiscal Year 2019 Transit Security Grant Program funds
City of Philadelphia, Bucks, Chester, Delaware and Montgomery Counties	$11.75	Local Matching Funds required for Federal and State Capital Grants.
Total	$749.62	

Fiscal Year 2019 Capital Budget
(In Millions)

Capital Programs	**FY 2019**
Bridge Improvements	$ 5.24
Communications, Signal Systems and Technology Improvements	42.01
Infrastructure Safety Renewal Program	46.50
Maintenance/Transportation Shops and Offices	47.55
Safety & Security Improvements	19.58
SEPTA Key	70.22
Service Restorations	35.20
Stations, Loops and Parking Improvements	77.69
Substations and Power Improvements	30.59
Track and Right-of-Way Improvements	7.60
Vehicle Acquisitions and Overhauls	263.74
Subtotal Capital Programs	**$ 645.92**
Financial Obligations	
Capital Leases	48.32
Debt Service	55.38
Total Capital Budget	**$ 749.62**

14. Capital Improvement Program

Fiscal Year 2019-2022 Capital Program
(In Millions)

Capital Programs	FY 2019	FY 2020	FY 2021	FY 2022
Bridge Improvements	$ 5.24	$ 5.56	$ 7.25	$ 11.08
Communications, Signal Systems and Technology Improvements	42.01	50.69	36.82	27.70
Infrastructure Safety and Renewal Program	46.50	47.50	47.50	48.50
Maintenance/Transportation Shops and Offices	47.55	48.15	27.34	26.63
Safety & Security Improvements	19.58	20.35	14.03	11.35
SEPTA Key	70.22	27.74	-	-
Service Restorations	35.20	47.59	36.48	31.78
Stations, Loops and Parking Improvements	77.69	77.71	43.81	45.10
Substations and Power Improvements	30.59	46.14	48.12	40.12
Track and Right-of-Way Improvements	7.60	11.74	12.05	7.00
Vehicle Acquisitions and Overhauls	263.74	220.35	244.10	224.83
Subtotal Capital Programs	**$ 645.92**	**$ 603.52**	**$ 517.50**	**$ 474.09**
Financial Obligations				
Capital Leases	48.32	56.31	57.44	58.59
Debt Service and Capital Leases	55.38	51.14	91.19	53.44
Subtotal Financial Obligations	**$ 103.70**	**$ 107.45**	**$ 148.63**	**$ 112.03**
Total Capital Budget	**$ 749.62**	**$ 710.97**	**$ 666.13**	**$ 586.12**

14. Capital Improvement Program

FY 2019 Capital Budget and FY 2019 - 2030 Capital Program
(In Millions)

Capital Programs / Financial Obligations	Prior Funding	Budget Year FY 19	Program Years FY 20	FY 21	FY 22	FY 23	FY 2024-2030	12-Year Program Total	Beyond FY 2030	Total Budget
	----------$Millions----------									
Capital Programs										
Bridge Program	$3.50	$5.24	$5.56	$7.25	$11.08	$21.93	$172.54	$223.60	$0.00	$227.10
Communications, Signal Systems and Technology Improvements	$79.74	$42.01	$50.69	$36.82	$27.70	$27.26	$89.25	$273.73	$0.00	$353.47
Infrastructure Safety Renewal Program	$0.00	$46.50	$47.50	$47.50	$48.50	$49.50	$374.50	$614.00	$0.00	$614.00
Maintenance/Transportation Shops and Offices	$100.46	$47.55	$48.15	$27.34	$26.63	$26.53	$189.70	$365.90	$79.44	$545.80
Safety and Security Improvements	$25.54	$19.58	$20.35	$14.03	$11.35	$12.01	$64.28	$141.60	$0.00	$167.14
SEPTA Key	$199.81	$70.22	$27.74	$0.00	$0.00	$0.00	$0.00	$97.96	$0.00	$297.77
Service Restorations	$26.81	$35.20	$47.59	$36.48	$31.78	$0.00	$0.00	$151.05	$0.00	$177.86
Stations, Loops and Parking Improvements	$266.77	$77.69	$77.71	$43.81	$45.10	$81.42	$477.37	$803.10	$53.50	$1,123.37
Substations and Power Improvements	$22.73	$30.59	$46.14	$48.12	$40.12	$54.77	$82.50	$302.24	$25.00	$349.97
Track and Right-of-Way Improvements	$17.70	$7.60	$11.74	$12.05	$7.00	$7.34	$44.00	$89.73	$23.44	$130.87
Vehicle Acquisitions and Overhauls	$296.63	$263.74	$220.35	$244.10	$224.83	$175.15	$1,731.73	$2,859.90	$1,453.87	$4,610.40
Subtotal Capital Programs	**$1,039.69**	**$645.92**	**$603.52**	**$517.50**	**$474.09**	**$455.91**	**$3,225.87**	**$5,922.81**	**$1,635.25**	**$8,597.75**
Financial Obligations										
Capital Leases	$0.00	$48.32	$56.31	$57.44	$58.59	$59.76	$453.43	$733.85	$0.00	$733.85
Debt Service	$0.00	$55.38	$51.14	$91.19	$53.44	$70.45	$423.50	$745.10	$338.23	$1,083.33
Total Capital Budget	**$1,039.69**	**$749.62**	**$710.97**	**$666.13**	**$586.12**	**$586.12**	**$4,102.80**	**$7,401.76**	**$1,973.48**	**$10,414.93**

Capital Projects Impact Analysis on Operating Budget FY 2019 – FY 2024
SEPTA CAPITAL PROGRAM

	Estimated Operating Impact per Year Cost Savings / (Cost Increase) In Thousands					
Capital Projects and Description of Impacts	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Hybrid Bus Purchase Program	**$1,779**	**$2,237**	**$2,670**	**$2,965**	**$2,965**	**$2,965**
In 2002, SEPTA began purchasing hybrid diesel-electric buses designed to reduce fuel consumption and SEPTA's carbon footprint through lower emissions. In 2016 SEPTA completed the acquisition and delivery of 275 new 40-foot and 60-foot hybrid buses. In 2017, SEPTA started to take delivery of another 525 40-foot hybrid buses. By FY 2021, more than 95 percent of SEPTA's bus fleet will be hybrid.						
Battery-Electric Bus Program	**$156**	**$300**	**$300**	**$300**	**$300**	**$300**
In 2016, SEPTA received a $2.6 million grant from the Federal Transit Administration to aid in the purchase of 25 Proterra Catalyst Zero Emission buses. These all-electric buses will be used to service South Philadelphia Bus Routes 29 and 79 and are scheduled for delivery in FY 2019. The Proterra buses feature regenerative braking systems, which save both energy and brake linings by capturing energy that would otherwise be lost and stores it as electricity in the onboard battery. As a result of utilizing electricity to power the buses rather than diesel fuel, the cost per mile decreases significantly (from $0.43 to $0.13 per mile) which may generate savings exceeding $300,000 annually. Additional savings are expected from reduced maintenance costs over the life of the fleet.						
LED Conversion Projects	**$96**	**$106**	**$106**	**$106**	**$106**	**$106**
In FY 2017 & FY 2018, SEPTA retrofitted a large portion of its rail cars with Light Emitting Diode (LED) lighting, reducing ongoing labor and material expenses while improving energy efficiency and the customer experience. Conversion of the Market-Frankford Line cars with the new fixtures is currently underway. SEPTA is also retrofitting maintenance facilities and rail stations with LED lighting. In addition to benefiting from lower energy expenses, SEPTA has also received rebates from PECO via the Smart Ideas energy efficiency programs associated with Pennsylvania Act 129.						
Southern District Stormwater Project	**$56**	**$56**	**$56**	**$56**	**$56**	**$56**
In FY 2018 SEPTA began construction on the largest green stormwater infrastructure project to-date. More than 8 acres of stormwater will be managed at Southern District in South Philadelphia. This project not only has environmental benefits – capturing stormwater and slowly releasing it into the City of Philadelphia's combined sewer system – but it has financial benefits as well. In addition to eliminating all future stormwater fees from Philadelphia Water, SEPTA received a grant of $600,000 from Philadelphia Water to manage an additional 6 acres of stormwater.						

Capital Projects Impact Analysis on Operating Budget FY 2019 – FY 2024
SEPTA CAPITAL PROGRAM

	Estimated Operating Impact per Year Cost Savings / (Cost Increase) In Thousands					
Capital Projects and Description of Impacts	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Video Surveillance	**$22,200**	**$22,200**	**$22,200**	**$22,200**	**$22,200**	**$22,200**
SEPTA has purchased and installed more than 27,000 cameras on vehicles and at stations. These cameras have been used in conjunction with a partnership between SEPTA and the City of Philadelphia District Attorney's Office to reduce fraudulent claims on the system. Savings are expected to continue in future years.						
Revenue Locomotive Replacement Program	**$250**	**$400**	**$400**	**$400**	**$400**	**$400**
In July 2015, a contract was awarded to Siemens Industry Inc., for thirteen ACS-64 locomotives with an option for up to an additional five. Fifteen of these vehicles are expected to be delivered in Calendar Year 2018. These locomotives feature regenerative braking, which enables energy from the train's slowing down to be fed back to the power system for use by other trains. The new locomotives' regenerative braking capability is expected to reduce electric power use by approximately 3% (as compared to a comparable fleet without regenerative braking).						

Capital Projects Impact Analysis on Operating Budget FY 2019 – FY 2024
OUTSIDE FUNDING

	Estimated Operating Impact per Year Cost Savings / (Cost Increase) In Thousands					
Capital Projects and Description of Impacts	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Energy Retrofits Master Plan – Facilities & Railcars	**$150**	**$153**	**$153**	**$151**	**$159**	**$158**
In FY 2016, SEPTA began to implement a comprehensive energy retrofit master plan, including: $18.2 million energy efficiency retrofit in partnership with Constellation NewEnergy, Inc. at five major vehicle maintenance facilities (Berridge, Courtland, Fern Rock, Germantown, Southern) and on five railcar fleets (B-IV on Broad Street Line, N-5 on Norristown High Speed Line, Silverliner IV, V and Push-Pull on Regional Rail Lines). Energy savings will more than pay for the project over a period of 17 years. This phase of the installation was completed in August 2017. Additionally, SEPTA issued an RFP in April 2017 for an energy efficiency retrofit at SEPTA Headquarters, 1234 Market Street. The energy retrofit project is budget neutral / cash flow positive pursuant to the PA Guaranteed Energy Savings Act (GESA). SEPTA will also commission an 8.8 MW combined heat and power (CHP) plant at the Midvale Complex in North Philadelphia in January 2019. The CHP plant will provide base load propulsion power to Regional Rail at the Wayne Junction Substation, base load electrical power for the Midvale Bus Maintenance Facility, and heating load for the surrounding facilities. Energy conservation measures were included at surrounding facilities to extend the positive impact of the project.						
Wayside Energy Storage Program Buildout	**$210**	**$210**	**$210**	**$210**	**$210**	**$210**
In FY 2016, SEPTA, Viridity Energy, and Constellation executed a partnership to install of 8.75 MW of battery capacity to capture, store, and reuse energy created by the regenerative braking systems on the Market-Frankford Line and Broad Street Line cars. The batteries will also be used to participate in the PJM Interconnection's Frequency Regulation revenue market. The partnership will be budget neutral / cash flow positive and build upon the existing 1.8 MW of battery capacity SEPTA has already installed on the Market-Frankford Line. Combined, the 10.55 MW of battery capacity could generate $210,000 per year in energy savings and new revenue for SEPTA. Installation is anticipated to be complete by the end of Calendar Year 2018.						
Solar Power Purchasing Agreement	**$3**	**$1**	**$0**	**$0**	**$0**	**$0**
In May 2017 SEPTA entered into a 20-year Power Purchasing Agreement with Sunvest Solar, Inc. Under the Power Purchasing Agreement, SEPTA commits to purchase the power generated from Solar Photovoltaic Systems installed at four SEPTA facilities (2nd & Wyoming, Callowhill, Fern Rock, and Roberts). SEPTA is estimated to save $13,000 in utility cost over the life of the project while increasing our use of renewable energy.						

Glossary of Acronyms

A	
ACS-64	Electric locomotives used on Regional Rail lines
ACSES II	Advanced Civil Speed Enforcement System
ADA	The Americans with Disabilities Act of 1990
ADAAA	ADA Amendments Act of 2008
ADAPT	Americans Disabled Attendant Programs Today
ADEA	Age Discrimination in Employment Act of 1967
AEM-7	Electric locomotive used on Regional Rail lines
AGM	Assistant General Manager
AIM	Advancing Internal Management
APC	Automatic Passenger Count
APTA	American Public Transportation Association
ASI	American Software, Inc.
ATC	Automatic Train Control
AVL	Automatic Vehicle Locator

B	
BASCSC	Building a SEPTA Customer Service Culture
B-IV	Heavy Rail Vehicle used on the Broad Street Subway
BSL	Broad Street Line
BSS	Broad Street Subway (also referred to as the Broad Street Line)

C	
C3RS	Confidential Close Call Reporting System
CAC	Citizen Advisory Committee
CARD	Computer Aided Radio Dispatch
CBNR	Comprehensive Bus Network Redesign
CBTC	Communications-Based Train Control
CCT Connect	Customized Community Transportation Services
CHP	Combined Heat and Power
COBRA	Consolidated Omnibus Budget Reconciliation Act
CRC	Career Resource Center
CRM	Customer Relations Management
CSX	CSX Corporation, a freight railroad and transportation company
CY	Calendar Year

D	
DEIS	Draft Environmental Impact Statement
DGM	Deputy General Manager
DBE	Disadvantaged Business Enterprise
DSM	Disposable Smart Media
DVRPC	Delaware Valley Regional Planning Commission

E	
EAP	Employee Assistance Program
ECM	Energy Conservation Measures

EMU	Electric Multiple Unit
EEO/AA	Equal Employment Opportunity / Affirmative Action
ESCO	Energy Service Company
ESL	English as a Second Language
ESMS	Environmental and Sustainability Management System

F	
FELA	Federal Employers Liability Act
FHWA	Federal Highway Administration
FICA	Federal Insurance Contributions Act
FIT	Facilities Improvement Team
FLSA	Fair Labor Standards Act
FMLA	Family and Medical Leave Act
FTA	Federal Transit Administration
FTC	Frankford Transportation Center
FTE	Full-Time Equivalent Position
FY	Fiscal Year

G	
GARVEE	Grant Anticipation Revenue Vehicle
GASB	Governmental Accounting Standards Board
GEC	General Engineering Consultant
GESA	Guaranteed Energy Savings Agreement
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GM	General Manager

H	
HIPAA	Health Insurance Portability and Accountability Act of 1996
HRIS	Human Resources Information System

I	
IBEW	International Brotherhood of Electrical Workers
IBT	International Brotherhood of Teamsters
IIA	The Institute of Internal Auditors
IOD	Injuries on Duty
ISRP	Infrastructure Safety Renewal Program
IVR	Interactive Voice Response System

J	
JHSC	Joint Health and Safety Committee

K	
KTFC	Keystone Transportation Funding Coalition

L	
LEAD	Leadership Exchange Development Program
LEED	Leadership in Energy and Environmental Design
LIBOR	London Interbank Offered Rate
LRV	Light Rail Vehicle
LSC	Location Safety Committee
LUCY	Loop Through University City

M	
MDBF	Mean Distance Between Failures
MDT	Mobile Data Terminal
M-IV	Heavy Rail Vehicle used on the Market-Frankford Subway-Elevated Line
MPC	Management Planning and Control Operating Budget Software
MPO	Metropolitan Planning Organization
MFSE	Market-Frankford Subway-Elevated
MRDG	Metropolitan Rail Discussion Group
MSHL	Media-Sharon Hill Line

N	
N5	Heavy Rail Vehicle used on the Norristown High Speed Line
NEC	Northeast Corridor
NHSL	Norristown High Speed Line
NJT	New Jersey Transit
NPT	New Payment Technology

O	
OCIP	Owner Controlled Insurance Program
OEM	Original Equipment Manufacturer
OGC	Office of General Counsel
OSIP	Operational Safety Improvement Program
OTN	Optical Transport Network

P	
PA UCP	Commonwealth of Pennsylvania's Unified Certification Program
PCB	A toxic liquid (Polychlorinated Biphenyl) used as a coolant in SL4 transformers
PCC	President's Conference Committee streetcar or trolley
PennDOT	Pennsylvania Department of Transportation
PLRB	Pennsylvania Labor Relations Board
PPE	Personal Protective Equipment
PPTA	Pennsylvania Public Transportation Association
PRIIA	Passenger Rail Investment and Improvement Act of 2008
PTAF	Public Transportation Assistance Fund
PTC	Positive Train Control
PWD	Philadelphia Water Department

R

RAP	Rapid Assimilation Program
RFP	Request for Proposal
ROI	Return on Investment
RRD	Regional Railroad Division
RRT	Railroad Retirement Taxes
RTKL	Right-To-Know Law

S	
SAC	SEPTA Advisory Committee For Accessible Transportation
SAM	Supervisory, Administrative and Management
SBA	Special Board of Adjustment
SBE	Small Business Enterprise
SEPTA	Southeastern Pennsylvania Transportation Authority
SL4	Silverliner 4
SL5	Silverliner 5
SOG	State of Good Repair
SRP	Shared Ride Program
SRPAC	Shared Ride Program Advisory Council
SSPP	System Safety Program Plan

T	
TECT	Targeted Enforcement and Compliance Team
TIP	Transit Improvement Program
TMA	Transportation Management Associations
TOD	Transit Oriented Development
TSP	Traffic Signal Prioritization Initiative
TWU	Transport Workers Union

U	
USERRA	Uniformed Services Employment and Reemployment Rights Act of 1994
UTU	United Transportation Union

V	
VOH	Vehicle Overhaul Program

W	
WIT	Women in Transit

Y	
YAC	Youth Advisory Committee

A

Accessible - As defined by FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accessible Service - A term used to describe service that is accessible to non-ambulatory riders with disabilities. This includes fixed-route bus service with wheelchair lifts or ADA Paratransit service with wheelchair lift equipped vehicles.

Accrual Basis - A basis of accounting in which expenses are recognized at the time they are incurred and revenue is recognized when earned, as opposed to disbursed or received.

ADA Paratransit Service - In accordance with the Americans with Disabilities Act (ADA), SEPTA provides comparable service for people with disabilities who are functionally unable to use regular accessible fixed-route bus service for some or all of their transportation needs. Eligible individuals can travel whenever and wherever buses operate in SEPTA's five-county service region. See also "CCT Connect".

Ambassador - SEPTA management employees temporarily enlisted during special events or emergencies to serve as customer service representatives to aid in crowd control and passenger way findings.

Americans with Disabilities Act of 1990 - This federal act requires many changes to transit vehicles, operations and facilities to ensure that people with disabilities have access to jobs, public accommodations, telecommunications, and public services, including public transit.

Amtrak - Service Mark of the National Railroad Passenger Corporation and subsidiaries. Primarily provides nationwide intercity passenger railroad service.

B

Balanced Budget - A budget in which expected revenues equal expected expenses during a fiscal period. SEPTA's enabling legislation requires the Board of Directors to adopt a balanced budget before the beginning of each fiscal year.

Blue Line - See "Market-Frankford Subway-Elevated"

Bombardier – Aerospace and Engineering

Broad Street Line - A rapid transit subway running under Philadelphia's main north-south street. The Broad Street Subway opened in 1928 with several extensions over the years. A spur under Ridge Avenue to 8th and Market Streets opened in 1932. Also referred to as the BSL, BSS and "Orange Line".

Budget - A plan of financial activity for a specified period of time indicating all planned revenues and expenditures for the budget period.

Bus - A transit mode comprised of rubber tired passenger vehicles operating on fixed routes and schedules over roadways. Vehicles are powered by diesel, gasoline, battery or alternative fuel engines contained within the vehicle.

C

Capital Expenditure - Expenses that acquire, improve, or extend the useful life of any item with an expected life of three or more years and a value of more than $5,000, e.g., rolling stock, track and structure, support facilities and equipment, and stations and passenger facilities. SEPTA includes capital expenditures in the Capital Budget, which is published separately from this document.

Car-Mile - A single mile traveled by either a single vehicle or a single rail car in a multiple car consist.

CCT Connect - SEPTA Customized Community Transportation (CCT) provides paratransit service — CCT Connect — to individuals with disabilities and senior citizens. In addition, SEPTA's bus fleet is 100% accessible.

CMAQ (Congestion Mitigation/Air Quality) Program - A federal grant program in which FHWA funds are transferred to FTA for transit projects designed to improve air quality and reduce traffic congestion.

Commuter Rail - Local and regional passenger train operations between a central city, its suburbs and/or another central city. It may be either locomotive-hauled or self-propelled, and is characterized by multi-trip tickets, specific station-to-station fares, railroad employment practices and usually only one or two stations in the central business district. Also referred to locally as Railroad, Regional Rail and RRD.

Contributed Capital - Reflects capital grants received for the acquisition of fixed assets. Assets acquired with grants are depreciated over the estimated life of the applicable asset. Contributed Capital is also amortized over the same estimated life of the asset.

Cost Per Mile - Operating expense divided by vehicle miles for a particular program or in total.

Cost Per Passenger - Operating expense divided by ridership for a particular program or in total.

Customer Satisfaction Survey – A survey that is conducted every 2-3 years to collect rating observations about the various modes of SEPTA transit from approximately 1,700 riders and non-riders in the SEPTA region.

D

Deadhead - The miles and hours that a vehicle travels when out of revenue service. Deadhead includes leaving or returning to the garage or yard facility; or changing routes and when there is no expectation of carrying revenue passengers. However, deadhead does not include charter service, operator training or maintenance training.

Debt Service - The payment of interest on outstanding debt and the repayment of principal on long term borrowed funds according to a predetermined payment schedule.

Deficit - The amount by which revenue and subsidy falls short of expenses during a given accounting period.

Delaware Valley Regional Planning Commission - The area-wide agency, or Metropolitan Planning Organization (MPO), charged with the conduct of the urban transportation planning process. It is also the single, region-wide recipient of Federal funds for transportation planning purposes. Together with the state, it carries out the planning and programming activities necessary for Federal capital funding assistance. The MPO is designated by agreement among the various units of local government and the governor.

Depreciation and Amortization - The charges that reflect the loss in service value of the transit agency's assets. Depreciated items have a high initial cost and a useful life of more than one accounting period. In order to account for the reduction in value (usefulness) of this type of asset, a portion of the cost is expensed each year of the asset's life.

E

Enterprise Funds - Funds to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

F

Farebox Revenue - Revenues obtained from passengers and other fare subsidies except the state reduced fare subsidy program. Farebox revenue is also referred to as Passenger Revenue.

Fares - The amount charged to passengers for use of various services.

Fast Act – Fixing America's Surface Transportation Act. Passed by Congress and signed into law by President Obama on December 7, 2015, providing long-term federal funding for critical transportation needs.

Federal Transit Administration - The FTA is the federal agency which provides financial assistance to cities and communities to provide mobility to their citizens.

Fiscal Year - SEPTA's fiscal year runs from July 1 through June 30.

Fixed Guideway - A mass transportation facility using and occupying a separate right-of-way or rail for the exclusive use of mass transportation and other high occupancy vehicles; or using a fixed catenary system useable by other forms of transportation.

Fixed Route Service - Service provided on a repetitive, fixed-schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed-route trip serves the same origins and destinations, unlike demand responsive and taxicabs.

Flexible Funds - Federal funds made available by MAP-21 that can be used for various transportation projects, including both highway and mass transit projects. Allocation of these funds is at the discretion of regional Metropolitan Planning Organizations (MPOs) and state governments.

Fringe Benefits - Payments or accruals to others (insurance companies, governments, etc.) on behalf of an employee and payments or accruals direct to an employee arising from something other than the performance of a duty. These payments are costs over and above "labor" costs, but still arising from the employment relationship.

Full-Time Equivalent Position (FTE) - A measurement equal to one staff person working a full schedule for one year.

Fully Allocated Costs - The distribution of operating expenses to each mode by type of service and function. Fully allocated costs account for all direct costs plus the assignment of any joint or shared expenses.

Funding Formula - A specific formula used to determine a subsidy level.

G

Government Finance Officers Association Mission Statement (GFOA) - The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

Green Line - See "Subway-Surface Lines"

H

Hay Evaluation System – A job performance evaluation method used by SEPTA.

Headquarters Allocation - A method used to allocate the costs associated with operation and administration of SEPTA's headquarters division to the other four operating divisions.

Headway - Time interval between vehicles moving in the same direction on a particular fixed route.

Heavy Rail - A transit mode that is an electric railway with the capacity for a heavy volume of traffic. It is characterized by high speed and rapid acceleration passenger rail cars operating individually or in multi-car trains on fixed rails; separate rights-of-way from which all other vehicular and foot traffic are excluded; sophisticated signaling, and high platform loading.

Heavy Rail Cars - Rail cars with motive capability, driven by electric power taken from overhead lines or third rails, configured for passenger traffic and usually operated on exclusive rights-of-way.

Hybrid Bus - A bus that is powered by a combination of electricity and diesel, gasoline or alternative fuel.

I

Infrastructure - The physical assets of the Authority, e.g., rail lines and yards, power distribution, signaling, switching, and communications equipment, passenger stations, information systems, and roadways, upon which the continuance and growth of transit depend.

Interest Expense - The charges for the use of borrowed capital incurred by the transit agency, including interest on long term and short term debt obligations.

Interlocking – An arrangement of signal apparatus and turnouts that prevents conflicting movements through an arrangement of tracks such as junctions or crossings.

ISO 14001 Environmental Certification – The international standard that specifies requirements for an effective environment management system (EMS).

L

Leases and Rentals - The payments for the use of capital assets not owned by the transit agency.

Light Rail - A transit mode that typically is an electric railway with a lighter volume traffic capacity compared to heavy rail. It is characterized by passenger rail cars operating individually or in short, usually two car trains on fixed rails on shared or exclusive right-of-way; low or high platform loading; and vehicle power drawn from an overhead electric line via a trolley pole or a pantograph.

Light Rail Car - A rail car with motive capability, usually driven by electric power taken from overhead lines, configured for passenger traffic and usually operating on non-exclusive right-of-way. Also known as "streetcar," "trolley car" and "trolley".

Linked Trip - A single, one-way trip without regard for the number of vehicles boarded to make the trip (i.e., a home-to work trip taken by boarding a bus, to a train, to another bus represents one linked trip or three unlinked trips).

M

Market-Frankford Subway-Elevated - The Market-Frankford Line runs on an elevated guideway from the Frankford Transportation Center in Northeast Philadelphia, through Center City Philadelphia as a subway, and continuing on an elevated guideway above Market Street in West Philadelphia into 69th Street Terminal in Upper Darby, Delaware County. Also referred to as the Market Street Elevated (MSE), MFSE and "Blue Line."

Mean Distance Between Failure – A measure of vehicle availability and reliability, equal to the average distance between failures for all vehicles within a particular mode.

N

Net Position - Total assets and deferred outflows of resources minus total liabilities and deferred inflows of resources of the Authority. This term is used in SEPTA's annual financial statements.

Non-Revenue Vehicle - Vehicles and equipment that are used for construction, vehicle and facility maintenance, and service supervision. These vehicles are not used for passenger revenue service.

O

Operating Assistance - Financial assistance for transit operations (as opposed to capital) expenditures.

Operating Budget - The planning of revenues and expenses for a given period of time to maintain daily operations.

Operating Ratio - Operating revenue divided by operating expense. For this purpose, the Commonwealth has defined operating revenue to include Passenger Revenue, Shared Ride program revenue, Investment Income, Other Income and Route Guarantees. Also for this purpose, the Commonwealth excludes Depreciation from operating expenses.

Orange Line – See "Broad Street Line"

P

Passenger Miles - The cumulative sum of the distance ridden by each passenger.

Public Transportation - As defined in the Federal Transit Act, transportation provided by bus or rail, or other conveyance, either publicly or privately owned, providing to the public general or special service (but not including school buses or charter or sightseeing service) on a regular continuing basis. Public transportation is also synonymous with the terms mass transportation and transit.

R

Revenue Car Mile or Revenue Vehicle Mile - A single mile traveled by one car (or vehicle) during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Revenue Vehicle - A single vehicle or a single car in a multiple car consist during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Reverse Commute - City to suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

Ridership - Each passenger counted each time that person boards a vehicle. See also unlinked passenger trips.

Rolling Stock - Public transportation vehicles including commuter rail cars, locomotives, rapid transit cars, light rail cars, trolleybuses, buses, and vans.

Route Mile - A one-mile segment of a given fixed route in a fixed route network.

S

Shared-Ride Program - The Shared-Ride program is a door-to-door, advance-reservation, ride-sharing service, offered to senior citizens 65 years of age and residents of Philadelphia. This service can be used to travel within the City of Philadelphia and to any location in the surrounding counties within three miles of the City's border. Pennsylvania's Lottery Fund contributes to the cost of operating this program.

Silverliner - A multiple unit self-propelled railroad passenger car, powered by electricity collected from overhead catenary wires. The Silverliner fleet was acquired over time and currently consists of two vehicle types—Silverliner IV and V. These railroad cars feature stainless steel construction and represent the majority of SEPTA's railroad fleet.

Streetcar - See "Trolley"

Subsidy - Funds received from another source that are used to cover the cost of a service or program that is not self-supporting.

Subway-Surface Lines - A combination of five trolley lines serving various neighborhoods in West Philadelphia or nearby suburban communities above ground, reaching Center City Philadelphia through a subway tunnel partially shared with the Market-Frankford Line.

Surplus - The amount by which revenue and subsidy exceeds total expenses during a given accounting period.

T

Total Vehicle Miles - The sum of all miles operating by passenger vehicles, including mileage when no passengers are carried.

Trackless Trolley - See "Trolleybus"

Trapeze - Software utilized by SEPTA for scheduling and management of transportation operations.

Trolley - A powered rail car, usually driven by electric power drawn from overhead wires via a trolley pole or pantograph. The vehicle usually operates on shared rights-of-way. Also known as "trolley car," "streetcar" and "light rail car".

Trolleybus - An electric, rubber-tired transit vehicle, manually steered, propelled by a motor drawing current through overhead wires from a central power source not on board the vehicle. Also known locally as "Trackless Trolley".

V

VERITAS - Authority's Customer Relations Management (CRM) program